

AGRIBUSINESS PRODUCT DIFFERENTIATION AND BRANDING STRATEGY TO INCREASE COMPETITIVENESS IN THE GLOBAL MARKET

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Abstract

Competition in the global agribusiness industry is increasingly fierce, requiring business actors to implement effective strategies to increase competitiveness. Differentiation and branding are two main strategies that can provide added value and differentiate agribusiness products from competitors. This research aims to analyze the role of differentiation and branding strategies in increasing the competitiveness of agribusiness products in the global market through a literature review. The method used in this research is a systematic literature review (SLR) by analyzing various scientific sources, including academic journals, books, industry reports and official publications. The study results show that differentiation strategies, which include product innovation, quality certification, sustainability and production technology, play an important role in creating competitive advantage. On the other hand, strong branding helps build brand equity, increase customer loyalty, and strengthen the product's position in the international market. The combination of differentiation and branding has been proven to contribute to increasing exports and global market penetration. The implications of this research show that agribusiness industry players need to integrate product innovation with effective branding strategies and utilize digital technology for global marketing. With the right approach, agribusiness products can have a sustainable competitive advantage and be able to compete in international markets.

Keywords: Differentiation strategy, branding, agribusiness, competitiveness, global markets.

INTRODUCTION

The agribusiness sector has a very important role in the global economy, especially in providing food, industrial raw materials, and its contribution to national income in many countries. Agribusiness covers various activities ranging from agricultural production, processing, distribution, to marketing of agricultural-based products. In the last few decades, the increasing demand for high quality and sustainable agribusiness

products has encouraged business actors to be more innovative in developing their products in order to compete in the global market (Rizqan et al., 2022). In addition, globalization and technological advances have opened wider opportunities for agribusiness products to enter international markets more easily.

Even though they have great potential, agribusiness products often face quite complex challenges in the international market. One of the main challenges is increasingly fierce competition with similar products from various countries. Countries with advanced agricultural technology and efficient distribution systems often dominate the market, making it difficult for agribusiness products from developing countries to gain a strong position (Silaningsih et al., 2024). Apart from that, strict regulations related to quality standards, food safety and environmental sustainability are also obstacles in penetrating the global market.

Changes in global consumer preferences are also a factor that influences the competitiveness of agribusiness products. Consumers are currently increasingly selective in choosing products that are not only of high quality but also have added value, such as organic, environmentally friendly and sustainability certified products (Ciptosari & Wadhi, 2023). Therefore, agribusiness producers cannot just rely on product quality alone, but also need to implement effective differentiation and branding strategies to attract the attention of the international market.

Differentiation strategy is one way for agribusiness companies to create uniqueness and added value to their products. Differentiation can be done through product innovation, use of advanced technology in production, attractive packaging, and certification that shows product superiority, such as organic, fair trade or halal certificates (Sundayana et al., 2024). With differentiation, agribusiness products can have competitive advantages that differentiate them from competing products and increase their appeal to global consumers.

Apart from differentiation strategies, branding also plays a very important role in increasing the competitiveness of agribusiness products. Strong branding helps create a product identity that can be recognized by consumers, builds customer loyalty, and increases positive perceptions of the product. In a global market full of various brands and choices, agribusiness products that have good branding will more easily penetrate the market and gain the trust of consumers (Santika & Rochmaniah, 2023).

The branding process in agribusiness includes various aspects, such as creating a logo and visual identity, telling the story behind the product (brand storytelling), as well as effective communication with consumers through various media, including digital marketing (Genovino et al., 2023). With the right branding strategy, agribusiness products can build a strong image and gain a better position in the international market.

In the context of global competition, a combination of differentiation and branding strategies is the main key in increasing the competitiveness of agribusiness products. Products that have added value through differentiation will be more attractive to consumers, while strong branding will strengthen the relationship between producers and customers, thereby creating long-term loyalty (Kuswardani et al., 2023). Therefore, agribusiness actors need to understand and implement these two strategies optimally in order to compete effectively in the global market.

With the development of the global market and increasing consumer demands for quality products that have added value, this research aims to examine how differentiation and branding strategies can be implemented effectively in the agribusiness industry. This literature review will discuss various differentiation approaches and branding strategies that have been implemented in various countries, as well as the factors that influence their success in increasing the competitiveness of agribusiness products in international markets.

RESEARCH METHOD

This research uses a systematic literature review (SLR) method to examine differentiation and branding strategies in increasing the competitiveness of agribusiness products in the global market. This literature review was carried out by collecting, analyzing and synthesizing various relevant scientific sources, including academic journals, books, industry reports and official publications from international organizations. The focus of this research is to identify concepts, trends and factors that influence the success of differentiation and branding strategies in the agribusiness industry.

The analytical method used is content analysis, namely analyzing the contents of various literature to find main patterns and trends related to differentiation and branding in agribusiness. In addition, a comparison of findings from various previous studies was carried out to identify similarities, differences and research gaps that still need to be explored further. With this approach, it is hoped that this research can provide a comprehensive overview

of strategies that have been proven effective as well as recommendations for implementation in the agribusiness sector to increase competitiveness in the global market (Babbie, 2020; Bryman, 2016; Field, n.d.).

RESULT AND DISCUSSION

Differentiation Strategy in Agribusiness

Differentiation is the main strategy that can be applied in agribusiness to create added value and unique products, so that they can compete better in the global market. This strategy aims to differentiate products from competitors by offering unique characteristics, such as better quality, innovation in production processes, attractive packaging, or sustainability attributes (Melki, 2024). In the agribusiness industry which often faces price pressure and intense competition, differentiation is an effective way to attract consumer attention and create customer loyalty.

Several key factors in an agribusiness product differentiation strategy include product innovation, certification and quality standards, sustainable production processes, and the introduction of technology in the supply chain. Product innovation can be done by creating product variants that are more nutritious, organic, or have a unique taste. Certifications such as organic certification, fair trade, halal, or non-GMO are also important factors in building consumer trust (Holt, 2022). In addition, the application of technology in agriculture, such as precision farming or smart irrigation systems, can increase production efficiency and create high-quality products at more competitive costs.

The main advantage of a differentiation strategy is its ability to increase product sales value and create a better perception in the eyes of consumers. Products that have their own uniqueness tend to get premium prices more easily compared to commodity products (Marliana et al., 2024). Apart from that, differentiation also helps build customer loyalty, because consumers who are satisfied with the uniqueness of the product tend to be more loyal and less sensitive to price changes. In the long term, this strategy can increase the competitiveness of agribusiness products in a sustainable manner.

However, implementing a differentiation strategy also has its own challenges. One of the main challenges is the higher costs in the process of developing unique and quality products. For example, the production of organic products requires additional costs to obtain certification, the use of natural fertilizers, and stricter production processes (Perdanawati et al., 2023). Apart from that, innovation in agribusiness products also requires adequate

research and development (R&D), which is often an obstacle for small and medium producers.

Another challenge is the difficulty in building an image and educating the market. Newly introduced agribusiness products with a certain differentiation concept require an effective communication strategy so that consumers understand their advantages. For example, organic products often face challenges in proving their benefits compared to conventional products (Amin et al., 2024). Therefore, marketing strategies based on education and transparency are very important in supporting successful differentiation.

Apart from that, imitation competition from competitors is also a big challenge in differentiation strategies. When an agribusiness product succeeds in creating uniqueness and gaining market share, competitors can quickly imitate the concept and offer similar products at lower prices (Miranda et al., 2022). Therefore, agribusiness companies must continue to innovate and develop brand protection strategies and intellectual property rights in order to maintain their superiority.

By understanding the key factors, advantages and challenges in differentiation strategies, agribusiness actors can develop more effective approaches in increasing the competitiveness of their products. The implementation of this strategy must be carried out in an integrated manner with aspects of marketing, technological innovation and sustainability in order to have a positive long-term impact on the global market.

Branding as a Tool to Increase Competitiveness

Branding plays a very important role in increasing the competitiveness of agribusiness products, especially in the competitive global market. Branding is not just giving a name or logo to a product, but also includes how the product is perceived by consumers. In the agribusiness industry, strong branding can help differentiate products from competitors, create customer loyalty, and increase product selling value. With effective branding, agribusiness products can have a clear identity and be more easily recognized by international consumers (Hobbs et al., 2024).

One of the main aspects of branding is brand equity, namely the value attached to a brand based on consumers' perceptions of the quality, credibility and experience they have with the product. Strong brand equity allows agribusiness products to gain significant competitive advantages (Holt, 2022). For example, coffee or tea products with premium brands such as Starbucks or Twinings can sell at higher prices than similar products without

strong branding. In the context of agribusiness, brand equity can also increase consumer confidence in aspects of sustainability, food safety and product quality.

The first factor that determines branding success in the global market is product differentiation and added value. Agribusiness products that succeed in building strong branding usually have certain advantages, such as high quality raw materials, organic or fair trade certification, or a distinctive cultural heritage (Voldnes et al., 2023). For example, basmati rice from India or Arabica coffee from Ethiopia have a strong geographic identity, making them easier to market globally with the right branding strategy.

The second factor is consistency in brand communication. Consistency in messaging, packaging design, and product quality is very important to build consumer trust. Brands that frequently experience identity changes or unstable product quality can lose customer loyalty (Kauri et al., 2023). Therefore, agribusiness companies must ensure that all aspects of branding, from logos, slogans, to marketing strategies, are aligned and easily recognized in various international markets.

The third factor is the use of digital marketing strategies and storytelling. With technological developments, digital marketing has become a very effective tool for introducing agribusiness products to the global market. Social media, websites and e-commerce allow producers to reach consumers more widely (Yang et al., 2022). Apart from that, storytelling or telling the story behind the product can also increase brand appeal. For example, stories about farmers who harvest sustainably or how the product is traditionally made can add emotional value that strengthens customers' attachment to the brand.

The fourth factor is brand trust and reputation. In the global market, consumer trust is greatly influenced by aspects of sustainability, food safety and business ethics. Agribusiness products that have international certification such as USDA Organic, Rainforest Alliance, or Fair Trade tend to more easily build a positive reputation (Octari et al., 2024). Apart from that, good crisis management is also very important in maintaining brand image. A negative incident, such as a food contamination case, can quickly damage a brand's reputation if not handled transparently and professionally.

By understanding and applying branding success factors, agribusiness products can have a stronger position in the global market. Good branding not only increases product competitiveness, but also opens up opportunities for expansion into wider market segments. Therefore, agribusiness actors need

to invest in brand development, marketing communications and product innovation in order to build sustainable brand equity and face global competition with more confidence.

Correlation of Differentiation, Branding, and Competitiveness

Differentiation and branding strategies have a close relationship in determining the competitiveness of agribusiness products in the global market. Differentiation creates unique value in the product, while branding helps communicate that value to consumers. The combination of the two allows agribusiness products to stand out in a competitive market and attract a wider customer segment. Products that only rely on quality without clear differentiation often have difficulty competing, while products that have experienced differentiation but are not supported by good branding also tend to be less well known by consumers (Lifia & Rochmaniah, 2024).

The success of branding is greatly influenced by the differentiation strategy implemented. Agribusiness products that have unique characteristics, such as organic raw materials, environmentally friendly production processes, or geographical uniqueness, are easier to develop into strong brands. On the other hand, products that are commodities and do not have a competitive advantage will find it more difficult to build effective branding (Nurisna & Rochmaniah, 2024). Therefore, differentiation can be considered as a foundation that strengthens brand image and increases brand equity in the global market.

In addition, differentiation and branding strategies together contribute to building customer loyalty. Consumers who feel that a product has advantages that competitors do not have, whether in terms of quality, added value, or brand image, tend to be more loyal and willing to pay premium prices (Bouchikhi, 2023). For example, products such as Belgian chocolate or Arabica coffee from Colombia are known for their strong differentiation in quality and geographical origin, which is then reinforced by effective branding to increase their competitiveness in international markets.

In the context of exports and international market penetration, differentiation and branding strategies greatly influence the competitiveness of an agribusiness product. Countries that successfully export large amounts of agribusiness products often have strong national branding strategies, such as "Thailand's Hom Mali Rice", "Indonesian Kopi Luwak", or "New Zealand Dairy". By building a strong product identity, countries and agribusiness

companies can attract the attention of global importers and increase demand in foreign markets (Ardiansyah & Sinduwiatmo, 2023).

Differentiation and branding strategies also help in facing the challenges of stringent international regulations and standards. Agribusiness products that have clear branding and quality-based differentiation are easier to obtain global certification such as USDA Organic, Fair Trade, or Rainforest Alliance. This certification not only increases consumer confidence but also opens up access to more profitable premium markets (Andari et al., 2022).

However, the implementation of differentiation and branding strategies in exports does not always run smoothly. The main challenge that is often faced is the high costs of product development and brand marketing at a global level. Large investments are needed in market research, distribution and promotion so that products can be widely known and compete with other global brands (Dinnie, 2022). Apart from that, differences in consumer preferences in various countries are also a factor that needs to be considered when adjusting branding and marketing communication strategies.

By understanding the correlation between differentiation, branding and competitiveness, agribusiness actors can design more effective strategies to expand their markets globally. Combining product innovation with the right marketing strategy will help increase added value, build customer loyalty, and create a strong position in international market competition (Martincevic, 2022). Therefore, integration between differentiation and branding must be a major part of a globally oriented agribusiness strategy.

CONCLUSION

This literature review shows that differentiation and branding strategies play a very important role in increasing the competitiveness of agribusiness products in the global market. Differentiation allows agribusiness products to have uniqueness and added value, either through innovation, premium quality, sustainability, or international certification. Meanwhile, strong branding helps build brand equity, increase customer loyalty, and strengthen product positions in the global market. The combination of differentiation and branding strategies has been proven to be able to increase exports and international market penetration, while also helping producers face global competition and regulatory challenges.

For agribusiness industry players, these findings indicate that investment in product innovation, strengthening branding, and digital-based marketing are very important to increase competitiveness. Additionally, it is

important for agribusiness companies to understand global consumer preferences, implement sustainable practices, and utilize certification and geographic identity as differentiation strategies. With the right approach, agribusiness products can compete more effectively in international markets and provide greater economic benefits for producers and their countries of origin.

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