

BEYOND MARKET ACCESS: A STAKEHOLDER PERSPECTIVE ON MARKETING CHALLENGES AND OPPORTUNITIES FOR RURAL AGROPRENEURS IN SABAH, MALAYSIA

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Received Date: 16 July 2026

Revised Date: 29 July 2026

Accepted Date: 11 August 2026

Published Date: 31 August 2026

DOI: <https://doi.org/10.51200/mjbe.v13i1.8038>

Keywords: Rural marketing, agropreneurs, market access, digital marketing, stakeholder perspective, Sabah

ABSTRACT

Rural agropreneurship plays an important role in promoting food security, rural livelihoods, and sustainable economic development. However, rural agropreneurs in Sabah continue to face various marketing-related challenges that constrain business growth and competitiveness. This study explores these challenges and opportunities from the perspectives of key stakeholders involved in rural agropreneur development. A qualitative approach was employed using Focus Group Discussions (FGDs) involving 16 stakeholders representing government agencies, financial institutions, agricultural associations, business incubators, and private organisations. The data were analysed using thematic analysis. The findings identified four key themes related to the marketing challenges and development of rural agropreneurs: market access, financial accessibility, institutional support, and policy implementation. Limited market access, dependence on intermediaries, inadequate financial documentation, land tenure issues, and bureaucratic financing procedures were identified as the main barriers to business development. Although institutional support and government policies are available, existing programmes remain largely production-oriented, with less emphasis on marketing capabilities, commercialisation, and digital marketing. This study contributes to the rural marketing and agropreneurship literature by providing a stakeholder-oriented perspective on the factors influencing rural agropreneur development. The findings offer practical insights for policymakers and development agencies to strengthen market integration, financial inclusion, institutional collaboration, and sustainable rural entrepreneurial ecosystems in Sabah.

INTRODUCTION

Agriculture continues to play a pivotal role in supporting food security, employment, and economic development. This is particularly true in rural communities where agricultural activities remain a primary source of household income and livelihood. In Malaysia, the agricultural sector is recognised as a strategic contributor to national food security and rural transformation. The National Agro-Food Policy 2021–2030 (NAP 2.0) emphasises the development of a sustainable, resilient, and market-oriented agro-food sector. This is through value chain enhancement, entrepreneurship development, and market expansion. These national priorities align closely with the United Nations Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 2 (Zero Hunger), and SDG 8 (Decent Work and Economic Growth), which collectively promote sustainable agriculture, rural income generation, and inclusive economic growth.

Within Malaysia, Sabah provides an important context for examining rural agropreneurship because agriculture remains one of the major economic activities across many rural districts. Agro-based enterprises constitute an important source of income for rural households and contribute significantly to local economic development (Ambad et al., 2021). Despite various government initiatives, including the Sabah Agriculture Policy 3.0 (SAP3) and the Sabah Maju Jaya (SMJ) development framework, rural agropreneurs continue to encounter structural and marketing-related challenges that constrain business competitiveness and sustainability. These include the state's dispersed rural settlements, geographical isolation, transportation limitations, and uneven infrastructure development. This has further influenced market accessibility, entrepreneurial development, and the delivery of institutional support (Rosnan et al., 2025; Saikim et al., 2025).

From a marketing perspective, business success depends not only on production capabilities but also on the ability to access markets, obtain timely market information, establish strategic customer networks, secure financial resources, and utilise effective marketing channels (Yusof et al., 2025). Existing studies consistently report that rural agropreneurs face multiple marketing constraints, including limited market access, weak distribution networks, inadequate infrastructure, dependence on intermediaries, and restricted access to financing (Hou et al., 2024; Ahmad et al., 2025). These challenges reduce bargaining power, increase marketing costs, and limit opportunities to participate in wider and more profitable markets. Furthermore, limited financial capacity

often restricts agropreneurs' ability to invest in product development, branding, packaging, digital marketing, and promotional activities necessary for improving business competitiveness (Hou et al., 2024; Ahmad et al., 2025).

Despite these constraints, considerable opportunities exist to strengthen rural agropreneurship through improved market integration and institutional collaboration. Previous studies suggest that entrepreneurial training, cooperative participation, business networking, and institutional support can enhance agropreneurs' capabilities and improve access to market information and business resources (Syarifuddin, 2025). The increasing adoption of digital marketing, e-commerce platforms, and social media also presents new opportunities for rural agropreneurs to expand market reach, strengthen customer engagement, and reduce dependence on traditional intermediaries (Seah et al., 2026; Rachim et al., 2025). However, the successful adoption of these opportunities depends largely on the availability of institutional support, financing mechanisms, and appropriate capacity-building initiatives.

Although previous studies have examined agricultural productivity, technology adoption, sustainability, rural entrepreneurship, and marketing capabilities, relatively limited attention has been given to understanding marketing challenges and opportunities from the perspectives of institutional stakeholders within the rural entrepreneurial ecosystem. Existing research has predominantly focused on farmers or agropreneurs themselves, while comparatively fewer studies have examined how government agencies, financial institutions, agricultural associations, and business support organisations perceive the structural barriers and enabling factors influencing marketing challenges and the development of rural agropreneurs (Garwi, 2023; Ahmad et al., 2025). Since these stakeholders play central roles in policy implementation, financing, market facilitation, and entrepreneurial development, understanding their perspectives is essential for developing more effective and coordinated support mechanisms.

Therefore, this study explores the marketing challenges and opportunities faced by rural agropreneurs in Sabah from the perspectives of key stakeholders, including government agencies, financial institutions, agricultural associations, and business support organisations. Specifically, the study examines stakeholder perspectives on market access, financial accessibility, institutional support, and policy implementation as key dimensions of rural agropreneur development. By adopting a stakeholder-oriented perspective, this study extends the rural marketing and agropreneurship literature beyond the experiences

of individual agropreneurs and provides policy-relevant insights for strengthening sustainable agropreneur ecosystems in Sabah and supporting Malaysia's broader agricultural and rural development agenda.

LITERATURE REVIEW

Stakeholder Theory

Stakeholder theory was originally introduced by R. Edward Freeman. This theory argues that organisational outcomes are shaped by the relationships and interactions among multiple stakeholders who influence or are influenced by organisational activities (Freeman, 1984). Rather than viewing business success solely as the result of internal capabilities, the theory emphasises collaboration, resource exchange, and shared value creation among various actors within a broader ecosystem (Freeman et al., 2010).

Within rural agropreneurship, smallholder farmers and rural agropreneurs operate within a network of stakeholders that includes government agencies, financial institutions, producer associations, business incubators, research institutions, and market intermediaries. These stakeholders provide complementary resources such as financing, technical assistance, market information, entrepreneurial training, policy support, and networking opportunities that collectively influence business development and marketing performance (Li et al., 2025; Eldridge et al., 2022).

Recent agricultural research further demonstrates that strengthening smallholder development requires coordinated engagement among multiple stakeholders rather than isolated interventions. Collaborative approaches involving governments, financial institutions, researchers, private-sector organisations, and farmer associations have been shown to improve market participation, technology adoption, resource accessibility, and long-term sustainability (Rajala et al., 2021; Makate & Mango, 2017). Similarly, participatory and multi-stakeholder innovation platforms have highlighted the importance of inclusive decision-making and stakeholder coordination in overcoming structural barriers affecting rural enterprises (Eidt et al., 2020; Agyekumhene et al., 2020).

Accordingly, this theory serves as the guiding theoretical lens for this study by framing sustainability performance as the outcome of interactions among multiple stakeholders within the rural entrepreneurial ecosystem. This perspective acknowledges that effective market access, funding opportunities, and institutional support are not determined by agropreneurs

alone but emerge through collaboration among government agencies, financial institutions, business incubators, producer organisations, and other supporting institutions. Guided by this theoretical perspective, the present study explores the perceptions of these institutional stakeholders to gain a deeper understanding of the challenges and opportunities affecting the marketing performance of rural agropreneurs (Freeman, 1984; Freeman et al., 2010)

Marketing Performance Among Rural Agropreneurs

Marketing performance is widely recognised as an important indicator of business success, reflecting an enterprise's ability to achieve favourable market outcomes, including increased sales, customer acquisition, market expansion, customer retention, and enhanced competitive positioning. For rural agropreneurs, marketing performance extends beyond production efficiency and depends largely on the ability to access markets, secure financial resources, establish strategic networks, and utilise effective marketing strategies. Compared with larger enterprises, rural agropreneurs often operate under considerable resource constraints, making external support systems and institutional environments particularly important in determining business performance.

Previous studies have highlighted entrepreneurial marketing and market orientation as important drivers of marketing performance. Entrepreneurial marketing dimensions, including proactiveness, innovativeness, opportunity recognition, resource leveraging, and value creation, significantly improve agropreneur performance, particularly when complemented by government support programmes (Tunku Abaidah et al., 2024). Likewise, market orientation enables entrepreneurs to identify emerging market opportunities, respond to customer needs, and develop competitive strategies that enhance business sustainability and profitability (Raman & Rani, 2024).

Marketing performance is also strengthened through effective marketing strategies. Zhou (2025) found that implementing marketing mix strategies, including product, price, promotion, and place, positively influences enterprise performance and competitiveness. Similarly, Mahdi et al. (2024) demonstrated that entrepreneurial marketing practices encourage proactive market engagement, innovation, and customer relationship development, thereby improving business resilience and long-term growth.

Overall, existing studies suggest that marketing performance is influenced by multiple internal and external factors rather than production capability alone. Entrepreneurial competencies, market orientation, access to resources, and institutional support collectively determine rural agropreneurs' ability to compete effectively in increasingly dynamic market environments.

Access to Markets

Access to markets refers to the ability of entrepreneurs to reach customers through appropriate marketing channels, distribution networks, and business relationships. It encompasses not only physical access to markets but also access to market information, customer networks, and commercial opportunities that facilitate business growth. For rural agropreneurs, market access is widely recognised as one of the most important determinants of marketing performance.

Previous studies have consistently identified limited market access as a major barrier affecting rural enterprises. Geographic isolation, inadequate transportation infrastructure, dependence on intermediaries, fragmented supply chains, and weak market linkages restrict business expansion and reduce entrepreneurs' bargaining power (Mainali & Tuladhar, 2025; Hou et al., 2024). These constraints increase marketing costs, reduce profit margins, and limit participation in higher-value markets.

Beyond physical accessibility, networking capability also plays an important role in improving market access. Wahyuningsih et al. (2023) reported that networking capabilities enable small and medium-sized enterprises to access valuable market information, strategic partnerships, and business resources that ultimately enhance marketing performance. Similarly, Kamal (2025) argued that entrepreneurs with stronger social and institutional networks are better positioned to identify market opportunities, mobilise resources, and strengthen customer acquisition strategies.

The increasing adoption of digital marketing and e-commerce platforms further provides new opportunities for expanding market access. Digital technologies enable rural entrepreneurs to reach broader customer segments, reduce dependence on traditional intermediaries, and improve business visibility (Seah et al., 2026; Rachim et al., 2025). Consequently, market access should be viewed as a multidimensional construct involving physical accessibility, networking capability, market information, and digital connectivity.

Access to Funding

Access to funding refers to entrepreneurs' ability to obtain the financial resources necessary for business establishment, expansion, and marketing development. Financial resources enable agropreneurs to invest in product development, packaging, transportation, branding, promotion, technology adoption, and digital marketing activities that strengthen business competitiveness.

However, access to financing remains a persistent challenge among rural agropreneurs. Mainali and Tuladhar (2025) reported that many rural entrepreneurs experience difficulties obtaining formal financing due to limited collateral, insufficient financial records, and complex loan application procedures. Similarly, Hou et al. (2024) found that financial constraints significantly restrict smallholders' capacity to invest in productivity enhancement, certification, market expansion, and business innovation.

Financial accessibility, therefore, extends beyond the availability of financial institutions. It also depends on entrepreneurs' financial literacy, institutional requirements, and the suitability of financing schemes for rural businesses. Consequently, improving access to funding requires stronger collaboration between financial institutions, government agencies, and business support organisations to develop financing mechanisms that are more responsive to the needs of rural agropreneurs.

Institutional Support

Institutional support refers to the assistance provided by government agencies, financial institutions, agricultural associations, business incubators, and other support organisations that facilitate entrepreneurial development. Such support may include entrepreneurial training, technical advisory services, business mentoring, networking opportunities, market facilitation, financial assistance, and policy implementation.

Existing literature consistently demonstrates that institutional support plays an important role in strengthening entrepreneurial capabilities and improving business performance. Entrepreneurial training and capacity-building programmes have been shown to enhance marketing competencies, entrepreneurial skills, and business resilience, thereby improving enterprise performance (Chandre Gowda et al., 2023). Likewise, farmer cooperatives and producer organisations strengthen collective marketing, improve bargaining power, and facilitate wider market participation through collaborative action (Bernard

In addition to knowledge development, institutional support enhances entrepreneurs' access to markets, financing, and strategic partnerships. Government programmes and institutional interventions have been found to reinforce entrepreneurial marketing capabilities while creating a more supportive business ecosystem for rural enterprises (Tunku Abaidah et al., 2024). These findings suggest that institutional support serves as an enabling mechanism that complements market access and financial accessibility to improve marketing performance.

Stakeholder Perspective and Research Gap

Although previous studies have extensively examined marketing performance, market access, financial accessibility, and institutional support, most have focused primarily on the experiences and perceptions of agropreneurs or individual business owners. Comparatively fewer studies have explored these issues from the perspectives of institutional stakeholders responsible for policy implementation, financing, market facilitation, and entrepreneurial development (Asmit et al., 2024).

Rural entrepreneurship, however, does not occur in isolation but within an interconnected entrepreneurial ecosystem comprising multiple actors, institutions, resources, and support mechanisms. Government agencies, financial institutions, business organisations, communities, and other support actors contribute different but complementary resources and functions to entrepreneurial development (Asmit et al., 2024). In the agri-food context specifically, the literature increasingly recognises the importance of formal and informal institutions, entrepreneurial ecosystems, stakeholder engagement, and support structures in shaping entrepreneurial activities (Petrolo et al., 2022).

Government agencies, financial institutions, agricultural associations, and business support organisations play complementary roles in shaping the rural entrepreneurial ecosystem. Their perspectives provide valuable insights into the structural constraints, institutional challenges, and collaborative opportunities that influence agropreneur marketing performance. Therefore, adopting a stakeholder oriented perspective contributes to a more comprehensive understanding of rural agropreneurship and provides evidence for developing more coordinated and sustainable support mechanisms.

Research Design

This study adopts a qualitative research design to explore the marketing challenges and opportunities faced by rural agropreneurs in Sabah from the perspectives of key stakeholders. A qualitative approach is particularly appropriate for examining complex socio-economic and institutional issues because it enables an in-depth understanding of stakeholder experiences, perceptions, and interpretations regarding entrepreneur development (Creswell & Poth, 2018). The study is guided by a stakeholder-oriented perspective, which recognises that the marketing performance of rural agropreneurs is influenced not only by individual entrepreneurial capabilities but also by the interactions and support provided by institutions operating within the rural entrepreneurial ecosystem. By engaging stakeholders directly involved in agricultural development, financing, and market facilitation, this study seeks to uncover the challenges, opportunities, and support mechanisms that shape agropreneur marketing performance in rural Sabah.

Measurement Model Assessment

The results of the composite reliability (CR) and convergent validity tests for the constructs are presented in Table 3. The findings indicate that the constructs under study have high internal consistency (Roldán & Sánchez-Franco, 2012) and sufficient average variance extracted (AVE) to support convergent validity (Hair et al., 2017). One item, LAB4, was deleted due to low loadings to ensure that the composite reliability remains above the recommended threshold of 0.708 (Hair et al., 2010; Hair et al., 2014). Furthermore, the remaining indicators for each construct exhibit satisfactory factor loadings, as recommended by Hair et al. (2017). Specifically, the Cronbach's Alpha and Composite Reliability (CR) values of loss aversion bias are 0.797 and 0.862, overconfidence bias are 0.857 and 0.890, herding bias are 0.797 and 0.861, and investment decision-making are 0.879 and 0.909, implying that these constructs possess high internal consistency. In the same vein, these constructs also demonstrate satisfactory convergent validity, with the average variance extracted (AVE) values exceeding the 0.5 threshold, indicating that the indicators explain more than 50% of each construct's variance.

Study Context

The study was conducted in the rural district of Sabah, located in the interior region of the state. Tambunan was selected due to its strong agricultural base and the significant involvement of local communities in agro-based economic

activities. The district is characterized by a diverse range of agricultural enterprises, including crop cultivation, livestock farming, and agro-processing activities. Despite the availability of various government programmed and institutional initiatives aimed at supporting agricultural development, rural entrepreneurs in Tambunan continue to face challenges related to market accessibility, financing, business expansion, and institutional coordination. Consequently, the district provides a suitable context for examining stakeholder perspectives on the factors influencing entrepreneur marketing performance and identifying opportunities for strengthening rural entrepreneurship.

Research Instrument

The primary research instrument employed in this study was a semi-structured Focus Group Discussion (FGD) protocol developed to explore stakeholder perspectives on the marketing challenges and opportunities faced by rural entrepreneurs in Sabah. The protocol was designed based on the study objectives and informed by the literature on rural entrepreneurship, market access, agricultural financing, business incubation, agricultural policy, and Stakeholder Theory.

The discussion guide was organised into three broad themes using a general-to-specific questioning approach. The first theme explored participants' overall perceptions of the marketing challenges and opportunities experienced by rural agropreneurs in Sabah. Participants were encouraged to identify the key issues affecting agropreneur development based on their professional experiences. Follow-up probing questions were then used to explore specific topics, including market access, market information, financing accessibility, and other factors raised during the discussion. The second theme focused on institutional support for rural agropreneurs. Participants were invited to discuss the role of business incubators, entrepreneurial training, mentoring, networking opportunities, and other support mechanisms, followed by probes on their effectiveness and implementation challenges. The third theme explored participants' perspectives on existing agricultural development policies, including the National Agro-Food Policy (NAP 2.0), Sabah Maju Jaya (SMJ), the Sabah Agriculture Policy (SAP3), and other relevant initiatives. Discussions centred on participants' experiences with policy implementation, perceived strengths and limitations, and recommendations for improving support mechanisms for rural agropreneurs.

Open-ended questions were utilised throughout the FGD sessions to encourage participants to elaborate on their experiences, observations, and recommendations. The use of semi-structured questions allowed flexibility for probing and follow-up discussions while ensuring consistency across all discussion sessions. This approach enabled the researchers to capture rich and context-specific insights regarding the factors influencing agropreneur development and marketing performance in rural Sabah.

Research Informants and Data Collection

Data were collected through Focus Group Discussions (FGDs) involving key stakeholders directly involved in agropreneur development and agricultural support systems in Sabah. Purposive sampling was employed to identify participants with substantial knowledge and practical experience relating to market development, agricultural financing, business incubation, and policy implementation. This sampling approach enabled the selection of information-rich participants capable of providing relevant insights into the challenges and opportunities faced by rural agropreneurs.

A total of 16 stakeholders participated in the study. The participants comprised representatives from financial institutions (n = 3), the Department of Agriculture (n = 4), the Department of Fisheries (n = 2), the Kampung Libang Pineapple Association (n = 3), the UMS Aquaculture Incubator Cell (n = 2), and AgriData Portal Sdn. Bhd. (n = 2). These organisations were selected because of their active involvement in providing financial assistance, technical advisory services, market facilitation, entrepreneurial training, business incubation, and policy implementation for agropreneurs in Sabah.

Table 1: Profile of Stakeholder Participants

Stakeholder Category	Organization	Number of Participants (n)	Roles Represented
Financial Institution	Agrobank	3	Credit executives and officers involved in agropreneur financing and business support
Government Agency	Department of Agriculture	4	Officers responsible for agricultural extension, market facilitation, and policy implementation
Government Agency	Department of Fisheries	2	Officers responsible for fisheries extension, technical support, and market development
Producer Association	Kampung Libang Laut Pineapple Association	3	Association leaders and members representing pineapple agropreneurs
Business Incubator	UMS Aquaculture Incubator Cell	2	Incubator personnel involved in entrepreneurial training, mentoring, and business incubation
Private Sector	AgriData Portal Sdn. Bhd.	2	Representatives providing digital agriculture, market information, and agribusiness support
Total		16	

The FGDs were conducted in Tambunan, Sabah, between August and September 2025. Participants were grouped according to their institutional backgrounds to encourage open discussion, minimise power imbalances, and facilitate the exchange of experiences among stakeholders with similar roles and responsibilities. Each discussion session lasted between 90 and 120 minutes and was facilitated using a semi-structured discussion guide developed specifically for this study. All discussions were audio-recorded with participants' consent and supplemented with field notes to capture contextual observations and non-verbal interactions.

The FGD approach was selected because it facilitates interaction among participants, enabling stakeholders to build upon each other's experiences and generate deeper insights into the challenges and opportunities affecting rural agropreneur development. The interactive nature of the discussions allowed participants to collectively identify barriers, share best practices, validate experiences, and propose practical solutions related to market access, financing accessibility, business incubation, and policy implementation. This collective exchange of perspectives enriched the data and provided a more comprehensive understanding of the factors influencing agropreneur marketing performance in rural Sabah.

Data Analysis

The interview data were analysed using thematic analysis following the procedures proposed by Braun and Clarke (2006). Thematic analysis was selected because of its flexibility and suitability for identifying, analysing, and interpreting patterns across qualitative data. The analysis began with familiarisation through repeated reading of interview transcripts. Subsequently, meaningful statements relevant to the research objectives were coded systematically.

The generated codes were then grouped into broader categories and examined for similarities, relationships, and recurring patterns. Through an iterative process, the categories were refined into overarching themes representing the key marketing challenges and opportunities experienced by rural agropreneurs. The final themes were reviewed and clearly defined to ensure coherence and alignment with the study objectives. Representative quotations from participants were used to support the interpretation of findings and enhance the transparency of the analysis.

Several strategies were employed to enhance the trustworthiness of the findings. First, data triangulation was achieved by incorporating perspectives from multiple stakeholder groups, including government agencies, financial institutions, agricultural associations, and business support organisations. This approach enabled the comparison and validation of information across different institutional settings.

Second, member checking was conducted by clarifying selected responses with informants during and after the interview process to ensure the accuracy of interpretations. Third, an audit trail was maintained throughout the research process, including documentation of interview procedures, coding decisions, and theme development. Finally, repeated reviews of the transcripts and coding outputs were undertaken to enhance consistency and dependability in the analytical process.

Figure 1. Development of themes through thematic analysis showing the progression from initial codes to sub-themes and overarching themes.

Codes	Sub-themes	Themes
Limited market information	Market accessibility	Market Access Challenges
Dependence on intermediaries	Market linkage	
Poor transportation	Distribution constraints	
Market oversupply	Distribution constraints	
Lack of financial records	Financing barriers	Financial Accessibility and Funding Barriers
Land ownership issues	Financing barriers	
Bureaucratic financing procedures	Administrative constraints	
Technical training	Capacity building	Institutional and Incubator Support
Business incubation	Entrepreneurial support	
Marketing support	Entrepreneurial support	
Policy implementation gaps	Policy implementation	Policy Effectiveness and Implementation Challenges
Bureaucratic procedures	Governance challenges	
Weak inter-agency coordination	Governance challenges	

FINDINGS AND DISCUSSION

The thematic analysis revealed four major themes related to the marketing challenges and development of rural agropreneurs in Sabah: (1) market access challenges, (2) financial accessibility and funding barriers, (3) institutional and incubator support, and (4) policy effectiveness and implementation challenges. These themes emerged consistently across stakeholder groups, including representatives from financial institutions, government agencies, agricultural associations, and business support organisations. Together, the findings illustrate the complex ecosystem surrounding rural agropreneurship and highlight the interconnected factors that influence business growth, market participation, and long-

term sustainability.

Market Access Challenges

Market access emerged as one of the most significant challenges affecting rural agropreneurs in Sabah. Stakeholders consistently reported that while various agencies have implemented awareness programmes and market facilitation initiatives, agropreneurs continue to face difficulties in accessing broader and more profitable markets. The findings suggest that market access challenges are influenced by limited market awareness, dependence on intermediaries, transportation constraints, and market oversupply.

Representatives from both financial institutions and government agencies highlighted ongoing efforts to improve agropreneurs' understanding of market opportunities and market dynamics. A representative from a financial institution explained: *"We continuously engage with local communities and conduct outreach activities to create awareness."* (Financial Institution Representative, R1).

Similarly, the Department of Agriculture emphasised the role of agricultural extension officers in providing market information and guidance: *"The Agriculture Department continuously engages with farmers through extension officers who act as frontliners. Market information is provided through official platforms and direct interaction with farmers."* (Department of Agriculture Representative, R4)

Despite these initiatives, stakeholders acknowledged that information dissemination remains uneven. According to the Department of Agriculture, *"Some farmers only become aware of market information after meeting agricultural officers."* (Department of Agriculture Representative, R4)

Stakeholders also identified dependence on intermediaries as a major constraint. Representatives from the Pineapple Association explained that many producers remain reliant on agricultural agents and external buyers to market their products, *"The pineapple market remains limited because producers still depend on agricultural agents and external buyers."* (Pineapple Association Representative, R3)

This observation was supported by the Department of Fisheries, which noted, *"Agropreneurs face difficulties entering external markets because they depend heavily on middlemen."* (Department of Fisheries Representative, R2)

Transportation and logistics were additional barriers affecting market participation. Stakeholders reported that rural agropreneurs often face difficulties distributing products beyond local markets due to geographical limitations and weak market networks. Market oversupply was also highlighted as a recurring issue, particularly during the COVID-19 pandemic when movement restrictions disrupted supply chains and reduced market demand. Representatives from both the Pineapple Association and the Department of Agriculture reported that substantial quantities of agricultural produce could not be sold, resulting in financial losses and wastage.

Overall, the findings suggest that market access challenges extend beyond information availability. While awareness programmes have increased exposure to market opportunities, structural limitations related to logistics, distribution systems, and dependence on intermediaries continue to restrict agropreneurs' ability to access wider and more competitive markets.

Financial Accessibility and Funding Barriers

Financial accessibility emerged as another critical factor influencing agropreneur development. Stakeholders consistently identified access to financing as essential for business expansion, marketing activities, infrastructure development, and investment in technology. However, several barriers continue to limit agropreneurs' ability to obtain financial assistance.

The most frequently cited challenge was inadequate documentation and financial record-keeping. Representatives from financial institutions explained that many agropreneurs fail to meet financing requirements because they cannot provide sufficient evidence of business performance and income generation. *"The process can be very complicated. Some agropreneurs even mortgage their land but still fail to obtain financing because they cannot provide records of production and business performance."* (Financial Institution Representative, R1)

Similar concerns were raised by the Department of Fisheries, *"Many farmers and fish breeders fail to secure loans because they do not maintain complete financial records."* (Department of Fisheries Representative, R2)

Land ownership issues were also repeatedly highlighted as a major obstacle. According to the Pineapple Association: *"Land title issues remain one of the main barriers to obtaining financing."* (Pineapple Association Representative, R3). The Department of Agriculture echoed this concern: *"Farmers without formal land ownership or legal*

land titles often face difficulties obtaining approval for support and financing programmes." (Department of Agriculture Representative, R4)

Stakeholders further noted that complex application procedures and bureaucratic requirements discourage many agropreneurs from seeking formal financing. These findings indicate that financing challenges are not merely a question of funding availability but are strongly influenced by administrative requirements, financial record-keeping practices, and land ownership structures. Collectively, the findings suggest that improving financing accessibility requires greater emphasis on financial management training, record-keeping practices, and more flexible financing mechanisms that are appropriate for rural agropreneurs.

Institutional and Incubator Support

Institutional support was identified as a key factor in strengthening agropreneur capabilities and improving business sustainability. Stakeholders highlighted the contributions of government agencies, financial institutions, agricultural associations, and business incubators in providing training, technical assistance, advisory services, and market facilitation programmes.

Representatives from the Department of Agriculture reported that training programmes are regularly organised to improve agricultural productivity and entrepreneurial competencies. *"The department provides technical training, practical guidance, and continuous support based on the specific needs of farmers."* (Department of Agriculture Representative, R4)

Similarly, the Department of Fisheries highlighted its role in supporting agropreneurs through technical assistance: *"Our incubation programmes focus primarily on technical aspects such as fish breeding, pond management, and equipment support."* (Department of Fisheries Representative, R2). While stakeholders recognised the value of these initiatives, they also identified weaknesses in current support systems. One recurring concern was the limited emphasis placed on marketing capabilities and business development skills. According to the Department of Fisheries, *"Marketing and business strategy components receive less attention compared to technical training"* (Department of Fisheries Representative, R2)

The Department of Agriculture similarly acknowledged that existing programmes tend to prioritise production-related activities: *"Most training programmes focus on crops, fertiliser application, and disease management rather than*

strategic marketing." (Department of Agriculture Representative, R4). Awareness of business incubators was also relatively low among some stakeholder groups. Representatives from the Pineapple Association indicated, *"We have never been directly exposed to incubator programmes and have limited understanding of their role."* (Pineapple Association Representative, R3)

These findings suggest that although institutional support mechanisms are widely available, greater emphasis is needed on marketing development, business incubation, and commercialisation support to enhance agropreneur competitiveness.

Policy Effectiveness and Implementation Challenges

Stakeholders generally acknowledged the importance of agricultural policies and government assistance programmes in supporting agropreneur development. Policies such as NAP 2.0, SAP3, and SMJ were viewed as important frameworks for strengthening agricultural productivity, sustainability, and entrepreneurship.

However, stakeholders also identified several implementation challenges. Representatives from financial institutions noted that policy implementation often takes time to reach local communities *"Policies may be announced, but they do not always reach financial institutions or become operational immediately"* (Financial Institution Representative, R1)

The Department of Fisheries observed that many agropreneurs struggle to understand procedures associated with government assistance programmes. *"Many beneficiaries do not fully understand the application and claim procedures for government assistance."* (Department of Fisheries Representative, R2) Besides, the bureaucratic processes were also frequently cited as a barrier. According to a representative from the financial institution, *"Documentation requirements and administrative procedures often discourage agropreneurs from applying for assistance."* (Financial Institution Representative, R1)

Similarly, the Department of Fisheries reported, *"Some applications are approved at the district level but later rejected at higher levels, creating frustration among applicants."* (Department of Fisheries Representative, R2). Stakeholders further questioned the long-term sustainability of government assistance. Several participants observed that financial aid alone does not guarantee business success. According to the Department of Agriculture, *"The sustainability of a project ultimately depends on the commitment and discipline of the agropreneur, not merely on the*

assistance provided." (Department of Agriculture Representative, R4).

Overall, the findings suggest that while existing policies provide valuable support, improvements are needed in policy accessibility, implementation efficiency, and long-term mentoring mechanisms. Greater coordination among agencies and more market-oriented interventions may enhance the effectiveness of future agropreneur development initiatives.

DISCUSSION

Market Exclusion and Dependence on Intermediaries

The findings indicate that market access remains a significant challenge for rural agropreneurs in Sabah. Despite various government initiatives to promote entrepreneurship and market participation, many agropreneurs continue to rely on intermediaries due to limited market information, inadequate logistics, weak supply chain integration, and restricted access to organised marketing channels. This dependence reduces bargaining power, compresses profit margins, and limits opportunities for branding, product differentiation, and value creation. These findings are consistent with Hou et al. (2024), who identified limited market access as a major barrier to the sustainability and competitiveness of Sabah's smallholders. Similarly, Nahar et al. (2020) reported that inadequate marketing infrastructure and weak bargaining positions increase reliance on intermediaries, while Rosnan et al. (2025) emphasised that stronger institutional support and market integration are essential for enhancing value-chain participation and business competitiveness.

The findings further suggest that digitalisation presents an opportunity to reduce market exclusion by expanding market reach, improving access to market information, and facilitating direct producer consumer interactions through digital marketing and agri-food e-commerce platforms (Seah et al., 2026; Rachim et al., 2025). Nevertheless, successful digital participation requires adequate digital infrastructure, entrepreneurial capabilities, and continuous institutional support. Therefore, strengthening integrated marketing ecosystems through improved logistics, digital capability development, and stronger collaboration among government agencies, financial institutions, agricultural associations, business incubators, and private-sector partners is essential to enhance market competitiveness and promote the sustainable development of rural agropreneurs in Sabah.

Financial Constraints and Rural Entrepreneurial Growth

Access to financing emerged as one of the most significant barriers to the growth and competitiveness of rural agropreneurs in Sabah. Although various financing programmes are available, the findings indicate that the primary challenge lies in agropreneurs' ability to satisfy institutional lending requirements rather than the availability of financial assistance. Inadequate business documentation, insufficient financial records, insecure land ownership, and difficulties navigating institutional requirements frequently restrict access to formal financing.

The findings suggest that financial exclusion is shaped not only by economic constraints but also by institutional and administrative requirements. Many agropreneurs have viable business opportunities but remain excluded from formal financial systems because they cannot meet administrative and collateral requirements. This challenge is particularly evident among agropreneurs operating on Native Customary Rights (NCR) or undocumented customary land, where the absence of formal land titles restricts access to bank financing and discourages long-term business investment. These findings support Hou et al. (2024), who argued that institutional financing mechanisms may unintentionally disadvantage smallholders, while Mainali and Tuladhar (2025) emphasised the need for financing systems that better reflect the operational realities of rural entrepreneurs.

Institutional Support and Agropreneur Capacity Development

Stakeholder Theory suggests that entrepreneurial capability is strengthened through collaboration among government agencies, financial institutions, business incubators, and producer associations, which collectively provide resources, knowledge, and support for agropreneur development. However, the findings reveal that existing institutional support remains largely production-oriented, focusing on farming techniques and productivity improvement, while giving less attention to marketing competencies, branding, business networking, customer relationship management, and digital marketing. Consequently, many agropreneurs possess adequate production knowledge but lack the capabilities needed to compete in increasingly market-driven environments.

These findings extend previous studies by demonstrating that the challenge lies not necessarily in the absence of institutional support, but in the misalignment between the support

provided and the market-oriented needs of rural agropreneurs. While existing programmes provide important technical and production-related assistance, comparatively less emphasis is placed on commercialisation, branding, market development, business networking, and digital marketing. This suggests that the effectiveness of institutional support depends not only on its availability, but also on its relevance and responsiveness to the evolving business needs of rural agropreneurs. Syarifuddin (2025) highlighted the importance of institutional programmes in strengthening entrepreneurial capabilities; the present study further demonstrates the need to align such support with commercialisation and market development needs. Similarly, Chandre Gowda et al. (2023) highlighted the importance of entrepreneurial competencies and technology-supported agribusiness development in strengthening the sustainability of rural enterprises.

Business incubators were identified as an important platform for bridging this gap by combining technical support with entrepreneurship, innovation, networking, and commercialisation services. However, their effectiveness remains constrained by limited awareness, accessibility, and geographical barriers, particularly in rural Sabah. Therefore, institutional support should adopt a more integrated ecosystem approach that combines agricultural extension, entrepreneurial development, marketing capability enhancement, and digital transformation to strengthen the long-term competitiveness and sustainability of rural agropreneurs.

Policy Implementation Gaps in Rural Agropreneur Development

From the perspective of **Stakeholder Theory**, policy effectiveness depends not only on sound policy design but also on effective stakeholder coordination during implementation. The findings reveal a clear gap between policy intentions and implementation, with bureaucratic procedures, extensive documentation requirements, fragmented institutional coordination, and limited programme dissemination reducing policy accessibility for rural agropreneurs. Consequently, many intended beneficiaries remain unable to fully utilise available government support despite the existence of well-designed policy initiatives.

These findings are consistent with Rosnan et al. (2025), who emphasised that effective agricultural development requires strong coordination among multiple agencies, and Hou et al. (2024), who argued that institutional requirements may unintentionally exclude

vulnerable smallholders from development programmes. While existing agricultural policies are highly relevant to food security, entrepreneurship, and rural development, their effectiveness ultimately depends on how accessible and responsive they are to the needs of rural communities. The findings further suggest that sustainable policy outcomes require continuous mentoring, monitoring, and market facilitation rather than one-off financial assistance. Therefore, policy implementation should adopt a long-term ecosystem approach characterised by stronger inter-agency collaboration, continuous stakeholder engagement, and adaptive implementation strategies that reflect the realities of rural agropreneurs in Sabah.

Towards Sustainable Agropreneur Development in Sabah

Taken together, the findings demonstrate that market access, financial accessibility, institutional support, and policy implementation are interconnected dimensions shaping rural agropreneur development in Sabah. More importantly, the challenges identified do not arise solely from the absence of support, but from the misalignment between available support mechanisms and the market-oriented needs of rural agropreneurs. Financing opportunities, training programmes, market information, and policy initiatives are available, yet their effectiveness is constrained by institutional requirements, production-oriented support, logistical limitations, and implementation gaps (Hou et al., 2024; Rosnan et al., 2025).

These findings highlight the need for an integrated entrepreneurial ecosystem in which government agencies, financial institutions, agricultural associations, business incubators, private-sector organisations, and rural agropreneurs collaborate to strengthen market participation, financial inclusion, entrepreneurial capabilities, and policy implementation. Such collaboration could facilitate a shift from predominantly production-oriented support towards more market-driven and competitive rural enterprises (Syarifuddin, 2025; Chandre Gowda et al., 2023).

From a Stakeholder Theory perspective, the study demonstrates that sustainable rural agropreneur development depends not simply on the availability of institutional support, but on the alignment and coordination of stakeholder interventions with agropreneurs' needs. This integrated approach also supports Malaysia's agricultural transformation agenda and contributes to rural income generation (SDG 1), food security and sustainable agriculture (SDG 2), and inclusive economic growth through

entrepreneurship (SDG 8) (Economic Planning Unit, 2021).

ecosystems and support more effective policy and practice.

CONCLUSION

This study explored the marketing challenges and opportunities faced by rural agropreneurs in Sabah from the perspectives of government agencies, financial institutions, agricultural associations, and business support organisations. The findings identified four key dimensions related to rural agropreneur development: market access, financial accessibility, institutional support, and policy implementation. Limited market access and financial accessibility emerged as key barriers to market participation, business growth, and long-term sustainability. Although various support programmes exist, challenges related to intermediary dependence, financing access, limited market-oriented support, and policy implementation remain.

The findings indicate that strengthening rural agropreneur development requires a more integrated and market-oriented approach. Strengthening market linkages, financial inclusion, business incubation, institutional coordination, and marketing capabilities, particularly digital marketing, branding, customer relationship management, and commercialisation, could enhance the competitiveness and sustainability of rural agropreneurs. This study contributes to the rural marketing and agropreneurship literature by demonstrating how market access, financial accessibility, institutional support, and policy implementation collectively shape the conditions surrounding rural agropreneur development. Theoretically, this study extends the application of Stakeholder Theory to rural agropreneurship by demonstrating that the presence of multiple institutional stakeholders and support mechanisms does not necessarily translate into effective entrepreneurial support. Rather, the findings highlight the importance of alignment between stakeholder interventions and the market-oriented needs of rural agropreneurs. The study therefore shifts attention from the availability of institutional support towards the coordination, accessibility, and strategic relevance of that support within the rural entrepreneurial ecosystem.

This study is limited by its qualitative design and focus on stakeholders within a single rural district in Sabah. Future research should incorporate agropreneurs' perspectives through mixed-method or multi-stakeholder approaches and examine these relationships quantitatively across different regions and agricultural sectors. Such research would provide a more comprehensive understanding of rural entrepreneurial

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