

Farmer-Direct Marketing on the Internet: An Emerging Institution?

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The objective of this paper is to present basic information on Internet consumers and trends and to discuss how producers can successfully direct market farm products on-line.

Of the approximately 92 million Internet users, it is estimated that one-third make purchases on-line. Many farm-direct marketers look at this data and wonder how they can effectively market their products on the Internet. Certainly of these 28 million customers on the Internet there must be a customer who wants to buy their products! As Internet use in rural areas and among farmers grows, it becomes an increasingly viable marketing option.

In general, most surveys of farmers markets and other farmer-direct marketing outlets find the customers to be above average in age, education, and income. The same is also true for Internet users. For example, 41% of Internet users are college or post-graduates and 42% of Internet users make more than \$50,000 a year.¹ Thus, many Internet users are potential farm-direct marketing customers.

There are several different ways to direct-market on the Web. A producer or farm can have an individual Web site or have a listing in an Internet directory.

Individual farm Web site: Used to transact sales, distribute information, or a combination thereof. For example, a maple syrup producer may use a Web site to offer on-line ordering, and a pick-your-own operation may use the site to distribute information to customers such as product availability, hours, and directions.

Directory listings on the Internet: There are commercial Internet directories that will post farmers' information for a fee (i.e., <http://www.smallfarm.com>). There are also directories with state departments of agriculture (i.e., <http://www.massgrown.org>) and Web sites by grower associations and non-profit organizations.

No one solution is right for every producer, and each one should make sure that his or her solution is a good fit, not

only for the project's objectives but also considering resource constraints such as time and capital.

Like any marketing decision, a producer should start by asking:

- What are the characteristics of my customers? Consider age, ethnicity, gender, income, and where they live.
- What do I know about my customers' interests, values, and behavior patterns?
- What are the attitudes and perceptions of my customers? What do they want or expect from my product or service?
- Is there anything else important I know about my customers?

Further, in investigating the "typical" Internet customer:

- How closely do they compare to the answers to the questions listed above?
- Are most of my customers already on the Internet?
- Is this an opportunity to attract a new type of customer?
- What is known about current customers' Internet habits? Are they on the Internet? Do they use e-mail? What would be the benefits for my customers if I had a Web site?

Much basic market information on Internet consumers is on-line and available for free. Sites such as <http://cyberatlas.internet.com> and <http://www.nua.ie/surveys> even offer searchable libraries of articles. There is also a list of resources available at: http://dir.yahoo.com/Computers_and_Internet/Internet/Business_and_Economics/.

Internet consumers mostly buy known items such as books and CDs. However, greater numbers of consumers are purchasing "home and garden" and "food and wine" products. Farm-direct marketers should view this as an emerging opportunity.

Internet consumers find things like pricing, potential return hassles, credit card concerns, privacy issues, and navigation difficulty to be the greatest barriers to Internet

buying. Farm-direct marketing Web sites should do everything possible to assure customers that they are "honest" and are not going to, for example, abuse their credit card number or sell their e-mail address.

Marketers should take advantage of the consumers' positive opinion of Internet shopping in regard to convenience. Consumers also like Web sites that have high-quality content and are easy to use, quick to download, and updated frequently. Make sure to register any site on a search engine, as that is the most common way that consumers find Web sites.

How to get started?

1. Clearly define an objective.

What is the purpose of the Web site? Develop a 3- to 5-year "Internet Marketing" plan for it. Define measurable goals for the project such as X dollars in sales or X number of subscribers for an e-mail marketing list.

2. Research, research, research!

- Are your current customers on the Internet? What is known about their habits?
- Is there a new type of customer to be attracted?
- Who are the competitors?
- Network - talk to other farm-direct marketers on the Internet.
- Are there any local or state programs that can help with Web site design and training?
- Investigate Internet service providers' services and costs.
- Is there a friend, family member, or customer who would barter product in exchange for Web site development?
- Consider getting domain name registration (<http://www.YourFarmName.com> is the easiest thing for any customer to remember!).
- Draft a design - ask customers, family, and friends for suggestions and opinions.
- Ask customers for ideas and feedback!

3. Other ideas - how to get "foot traffic" to the Web site and keep them coming:

- Should other things be done to promote your Web-site? "Freebies" or samples with an order or a monthly drawing for Web site visitors?
- Would your customers benefit from special "on-line" coupons that can be printed and brought into the retail store?
- How will one "follow up" on orders to personalize the transaction? (Remember this is one of the key characteristics of farm-direct marketing!)
- Will the Web site have advertisements for others? Links? Could you and a neighboring producer link your Web sites together? Or form an "Internet marketing cooperative" of small pro-

ducers?

- Find and request links from chambers of commerce, associations, state departments of agriculture, directories, newspapers, tourism sites, and so forth. If links aren't available - ask.
- What features would be good for the Web site? For example, an e-mail customer list, "What's new" section, ordering, directions to operation, hours of operation, "on-line coupons," guest book. Use counters to see what traffic is like on different areas of the site to determine where greater effort should be made.
- Call the local newspaper or send a press release - get a "human interest" story.
- Put the Web site address everywhere - advertisements, signs, banners, stationery.
- Don't let the Web site become out of date - keep it fresh!

Remember: develop a budget and stick to it! Just as any advertising or marketing tool you use - don't waste time or resources.

Lastly, as with any marketing effort, evaluate success. If the Web site doesn't yield desired results in a few months, revisit the marketing plan and further investigate options. Were the expectations too high? Or were the methods not right? (For example, it may be necessary to have a "monthly drawing" to get customers to subscribe to an e-mail list.) Make sure to revise your "Internet marketing plan" as needed.

Like any direct marketing opportunity, Internet marketing has great potential. However, it is necessary for producers to tailor their Web sites to reflect their needs and goals in order for them to be beneficial to the operation.

<http://cyberatlas.internet.com>, citing data from the Graphic, Visualization & Usability (GVU) Center at Georgia Institute of Technology (http://www.gvu.gatech.edu/user_surveys/) of June 1999.

(Information in presentation based on "How to Direct Market Farm Products on the Internet," forthcoming by Wholesale and Alternative Markets, Agricultural Marketing Service, USDA.)