

Center for Profitable Agriculture

E-COMMERCE FOR DIRECT FARM MARKETERS: AN OVERVIEW OF SMALL FARM CENTRAL'S SITE BUILDER

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Foreword

In 2016, the Center for Profitable Agriculture received a grant from the Southern Risk Management Education Center (SRMEC) and the USDA National Institute of Food and Agriculture (Award Number 2015-49200-24228) to conduct the Extension program, “Growing Digital: Advanced Online Marketing Strategies for Tennessee Farmers.” The project included the development of training materials and educational workshops in three program areas: 1) e-commerce software options for direct sales of farm products, 2) advanced social media marketing, and 3) video content creation and marketing.

E-commerce, in particular, is an emerging tool for direct farm marketers. The e-commerce educational program aimed to give producers a better understanding of the basic concepts of e-commerce, software options for online sales, potential software uses, and the benefits and challenges associated with several e-commerce platforms. “E-commerce for Direct Farm Marketers: An Overview of Small Farm Central’s Site Builder” was developed as a result of the “Growing Digital” project and supplements the training materials created for the e-commerce educational program.

Note: This publication is for educational purposes only and is not an endorsement of any product or service.

Introduction

Small Farm Central provides various digital marketing tools for local food producers, farmers market managers and CSA operators. Among those tools, Small Farm Central’s Site Builder is a website design software that allows direct farm marketers to build their websites from one of multiple customizable templates. Site Builder’s website templates use farm-inspired themes, and its website design features cater to the needs of direct farm marketers who may have minimal experience with website design. The software’s websites are mobile responsive, meaning their appearance adjusts to viewing on various electronic devices — from computer monitors to smart phones and tablets.

The Site Builder software is available in three plans: Cultivator, Merchant and Advocate. The latter two plans give producers the option of adding an online store to their websites. Like its website design features, Site Builder's e-commerce tools are programmed for producers who directly market and deliver products to local customers, though the software also has features that facilitate the long-distance shipping of products. Because Site Builder is designed specifically for direct farm marketers who may not have extensive knowledge in computer programming, the startup and management time associated with developing an online store may be shorter in comparison with non-farm-specific software.

To help producers assess Site Builder's e-commerce capabilities, this publication provides an overview of the software's potential uses, special features for online sales, and associated costs. Producers considering the Site Builder software for their operation should contact Small Farm Central staff to discuss their business goals. Small Farm Central offers a free two-week trial to help producers determine whether the Site Builder software satisfies their enterprise's objectives.

Potential Uses

Site Builder's e-commerce tools are optimally designed for direct farm marketers who wish to integrate their in-person sales with transactions conducted through their online market. The software facilitates this integration by providing online sales options for pre-farmers market sales and prepaid store credit.

Pre-Farmers Market Sales

Pre-farmers market sales allow customers to purchase items from the producer's online store prior to the day of the market. Producers prepare, package and deliver orders from the online store for convenient customer pickup at the farmers market. Pre-farmers market sales can help mitigate the marketing risk of selling at farmers markets by guaranteeing the farm a certain level of sales on market day, as customers have prepurchased their items through the online store. Combining online sales strategies with the farm's in-person sales activities helps increase producers' marketing efficiencies. Customers benefit from the option of pre-farmers market orders, as they can conveniently browse the farm's product inventory online and customize their order before the farmers market.

Using their Site Builder website, producers list available products in their online store and designate an opening and closing time for online orders. Prior to the online market's opening, an email is typically sent to customers to inform them about featured products in the online store and remind them of the upcoming online order period. Customers log in to their account on the farm's website, shop the market, pay and check out online. If the producer sells at multiple farmers markets, they can allow customers to choose the most convenient market location. After the order period ends, producers access the software's distribution reports to prepare customers' prepurchased items.

Prepaid Store Credit

Prepaid store credit allows customers to buy credit through the farm's online market and use it to purchase items throughout the year until their account balance reaches zero dollars. The producer can choose to offer varying levels of online store credit (e.g., \$100, \$200, \$300, etc.). This direct marketing model is similar to pre-loaded gift cards for retail store outlets or other online marketplaces.

As was the case for pre-farmers market sales, customers with prepaid store credit will typically have an order period each week during which they can log in to the producer's web store and shop the online market. Customers conveniently add products to their shopping cart and the Site Builder e-commerce system automatically updates customer account balances based on their expenditures. If the producer provides multiple delivery options, customers can select their preferred pickup location at checkout. After the order period ends in the online market, producers can use the software's distribution reports to fill and deliver each customer's order to their specified pickup location. Using an automated record-keeping system to take orders and track customers' balances saves management time and ensures accounting accuracy in prepaid store credit programs.

Additional E-commerce Features

Site Builder's e-commerce features are designed to minimize the setup and management time of building and maintaining an online store. Most of the e-commerce functions are implemented via point-and-click mouse operations. Producers can customize stores for multiple customer groups; arrange for product delivery, shipping and payment options; and manage store orders with basic computer skills.

Online stores created with Site Builder have customizable store departments. Store departments can have their own product inventory, product pricing, online order schedule, checkout requirements and shipping options. Two potentially useful advanced checkout options allow producers to specify minimum and maximum order sizes according to the dollar value of the customer's order or the number of products purchased.

Store departments can be designated as public or private. Public departments are open to shopping by all customers. Private departments require a special farm-issued passcode in order for customers to browse and purchase items from the online market. An enterprise might use public and private store departments when marketing to separate groups, such as retail and wholesale customers or different buying club members.

Site Builder's e-commerce software allows producers to offer multiple pickup locations for the direct delivery of product. Alternatively, the software has a built-in shipping calculator feature that links with UPS, FedEx and/or USPS. At checkout, customers type in their ZIP code for a real-time shipping cost estimate based on the total order weight and the customer's location.

Producers can receive payments using PayPal or accept credit and debit cards using the electronic payment processor, Authorize.net. Small Farm Central's support team assists producers in setting up each electronic payment option. Producers also have the capability to offer store coupon codes to customers. When customers complete their orders, producers have access to detailed reports that assist them in preparing, packaging, labeling and distributing purchased products. The reporting tools allow producers to filter product order reports by date, pickup location, store department and customer group.

Cost of Small Farm Central's Site Builder

Producers using Small Farm Central's Site Builder will pay a fixed monthly software fee. In addition, producers will pay transaction and service fees to payment processors for accepting online payments from customers.

Table 1 shows the software fees associated with Site Builder's Cultivator, Merchant and Advocate website plans. Of the three plans, only the Merchant and Advocate accounts include e-commerce options. While the Merchant and Advocate plans have equal e-commerce capabilities, the two plans are different in the account size they accommodate. The Advocate plan allows for larger e-mail lists, an unlimited number of photos and custom pages, and additional storage for uploaded files.

Table 1. Small Farm Central Site Builder Plans

Features	Cultivator	Merchant	Advocate
E-commerce	No	Yes	Yes
Mailing List Recipients	1,000	1,500	2,500
Photos	250	250	Unlimited
Custom Pages	20	20	Unlimited
Upload Files	25 MB	25 MB	100 MB
Price*	\$45/month	\$75/month	\$110/month

*Price does not include credit or debit card transaction fees for online purchases.

Source: <http://www.smallfarmcentral.com/plans>

The transaction and service fees associated with both electronic payment options, PayPal and Authorize.net, are shown in Table 2. Because software costs and electronic payment fees are subject to change, producers should contact service providers for the most up-to-date information on software costs and transaction fees. For more details on online payment options using Small Farm Central's Site Builder, producers can reference <http://support.smallfarmcentral.com/kb/frequently-asked-questions/checkout-options-explained>.

Table 2. Electronic Payment Methods for Small Farm Central's Site Builder E-commerce Feature*

Payment Processor	Payment Methods	Transaction Fees per Month	Service Fees/Month
PayPal	Credit/Debit Cards or PayPal account	2.9% + \$0.30/transaction	None
Authorize.net	Credit/Debit Cards	1.3% for debit cards; 2.22% for credit cards; Surcharges of .97% and 1.32% + \$10 for certain rewards cards	\$20 per month

*Small Farm Central's support team will assist producers in setting up their accounts to accept online payments.

Source: <http://support.smallfarmcentral.com/kb/ecommerce/credit-card-processors-authorizenet-vs-paypal>

Conclusion

Small Farm Central's Site Builder provides direct farm marketers with various website design and online store options. Its e-commerce software includes tools for integrating in-person sales with online sales. In addition to considering Site Builder's potential uses and special features for e-commerce, producers should also understand applicable software costs and transaction and service fees for online payment processing. Producers can contact Small Farm Central staff directly to further assess whether the Site Builder software meets their enterprise's objectives.

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