



## DIRECT MARKETING STRATEGIES

# DIGITAL & ECOMMERCE

Digital and eCommerce marketing strategies have become increasingly popular over the last decade. Most farms that engage in eCommerce/online sales do so through their farm or ranch website. In some cases, farm products sold online are picked up at the farm, at a central drop point, or are delivered by the producer. eCommerce marketing refers to sales that occur entirely online and with the purchase shipped to your customer. Marketing your products online can be a good way to reach a wider audience and increase your sales.

### PRODUCTS FOR ECOMMERCE

Not all products are appropriate for eCommerce marketing. The easiest products to use in eCommerce marketing are non-perishable and easily packaged. Perishable products are able to be marketed this way too, but require more considerations for packaging, temperature control (if applicable), and a well thought out procedure for handling sales.

### BEGINNING ECOMMERCE MARKETING

First, decide which products you want to sell through online platforms, draft thorough product descriptions, identify your price points, and decide what schedule you can realistically adopt for fulfilling orders. Though you save the time commitment of face-to-face sales, like at a farmers market, you will have to factor in the time cost of packaging and shipping your products. You'll need to identify proper shipping materials and include shipping, handling, and packing materials in your product prices or as a separate fee on mailed orders.

Next, you'll want to research primary digital marketing techniques (website, social media, online advertising, and email marketing) to determine what

resources for online selling you'd like to utilize. You will need a host website for your operation and a point-of-sale system to collect payments and track your inventories. If you are utilizing multiple direct sale methods, make sure you take into account the numerous ways you could be drawing down your inventory and plan accordingly. Successful eCommerce marketing techniques consider customer experience and shopping/transaction journey. Thinking through potential obstacles early on can minimize customer dissatisfaction and encourage customer loyalty; some examples of potential obstacles may include, shoppers refund process, shipping email notifications, shipping delay expectations, product review process, etc.

### FEDERAL TRADE COMMISSION GUIDELINES

The Federal Trade Commission (FTC) has established the regulations for the sale of mail, internet, or telephone order merchandise. Known sometimes as the 30-day Rule, it requires that you must have a "reasonable basis" for implying that you can ship within 30 days, unless you have made a shipment statement declaring otherwise. Bear in mind, most customers will expect their products before 30 days, especially in the case of perishable products. While no more than 30 days is the legal requirement for shipping, to retain customers you will want to ship within a few days of the order being placed. It is best to be clear to customers about when you will ship your products and how long it will take for the delivery to arrive at their doorstep.

#### *Exemptions*

Subscriptions, including CSAs, are not subject to this rule so long as the initial delivery was made in compliance with the rule. Seeds and growing plants are exempt.

### *Establishing a Reasonable Basis*

Making sure you can supply the products customers order is important to stay in compliance with the FTC guidelines and to maintain customers. To establish the reasonableness of your shipment representations (or the default of less than 30 days), you need to take into account your product's demand, your existing inventory and timeline for increasing your supply, your fulfillment system, and good record keeping. Keep records of all eCommerce transactions for 5 years.

### *Non-Compliance*

Non-Compliance with the FTC guidelines can lead to Cease and Desists (or the shut down of your business) and/or hefty fines. Make sure to stay on top of your orders and ship them in a timely manner! If you are unable to fulfill an order, you must seek the customer's consent on delaying shipment or offer a full refund within a reasonable amount of time.

## **RELATED FACT SHEETS IN OTHER CHAPTERS:**

*1.4 Registering with Government Entities*

*2.1 Taxes*