IMPACTS OF RELATIONSHIP-BASED ONLINE MARKETING AND SOCIAL MEDIA USE ON COMMUNITY SUPPORTED AGRICULTURE (CSA) PROGRAMS

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CSA ARE ....

• A philosophy/mindset for working with customers

• A set of relationship building practices

• A model for organizing last-mile supply chain
SOCIAL MEDIA IS...

• The next stage of the evolving internet infrastructure
• A model for engaging with customers
• A specific set of technologies for communicating and coordinating
RESEARCH QUESTIONS

• How do the aspects of CSA models relate to CSA outcomes?
  • Approach
  • Relational practices
  • Logistical arrangements
• How do the aspects of social media relate to CSA outcomes?
  • Technology
  • Relational capabilities
  • Transactional capabilities
• How do the aspects of CSAs and social media interact?
METHODS, SAMPLE, AND DATA

- Survey of CSA operators
- Survey and measure development
  - Draw from prior literature
  - Interviews and pretests
  - Pilot test (Sample: 100, Responses: 21)
- CSA operators with an active listing in the LocalHarvest database (N = 4384)
- 874 Responses (20%)
- After data cleaning, N=812
CSA RELATIONAL APPROACH

- Multi-item measure, 7 item Likert scale, Chronbach alpha = 0.864
- Items
  - In our CSA, the focus is on building long-term relationships with specific customers
  - Our CSA marketing communications involve personally interacting with individual customers
  - Our contact with our CSA customers is personal
  - When a customer signs up for our CSA, we believe they expect one-on-one personal contact with us.
  - When we meet our CSA customers, our interaction is informal and social.
  - Our CSA activities are intended to develop cooperative relationships with our customers.
  - Our CSA planning focuses on issues related to specific customers we deal with.
  - Our CSA resources (e.g. people, time, money) are invested in establishing and building personal relationships with individual customers.

(Adapted Modified from: Homburg, Mèuller, & Klarmann, 2011)
CSA RELATIONAL APPROACH

The degree to which the CSA operator has adopted a relational approach

Mean = 5.8681
Std. Dev. = .94468
N = 737
CSA RELATIONAL PRACTICES

- Allow CSA members to provide...
- Allow CSA members to visit the farm?
- Provide information about the products you sell...
- Have a pickup location on your farm?
- Actively solicit suggestions, information and...
- Have a person at the pickup locations to talk to...
- Send news about the farm employees or farm...
- Allow CSA members to help on the farm?
- Have special events?
- Encourage CSA members to meet each other?
- Have a dedicated CSA coordinator?
- Require CSA members to help on the farm?
SOCIAL MEDIA INFRASTRUCTURE

Has Twitter account?
Has Facebook page?
Has third party webpage?
Has website?
SOCIAL MEDIA ACTIVITY

• How often is your website updated?
  • Mean Response: Between a few times a year and monthly
• How often is your third party webpage updated?
  • Mean Response: Less than a few times a year
• How often is your Facebook page updated?
  • Mean Response: Monthly – weekly
• How often is your Twitter account updated?
  • Mean Response: A few times - weekly
When did you first create an online presence for your farm?

- 2000 or earlier: 8.47%
- 2001 to 2005: 20.42%
- 2006 to 2008: 21.05%
- 2009 to 2010: 31.26%
- 2011: 12.20%
- 2012: 6.60%
TRANSACTIONAL CAPABILITIES ONLINE

- Sign up for the CSA
- Receive a notification about a pickup (e.g., email, text)
- Change their contact information
- Find out pickup locations/times
- Find out what will be in their basket for the next pickup
- Change pickup location/time
- Pay for the CSA
- Select from available items for their next basket

% Respondents
RELATIONAL CAPABILITIES
ONLINE

- Contact our CSA coordinator
- Find out news about the farm and farm employees
- Make suggestions regarding the CSA
- Find out how to use food provided in the CSA basket
- Arrange visits to the farm
- Exchange messages with particular members of our farm and/or family
- Find out about local food related social events and activities
- Find out how they can help on the farm
- Provide reviews of the farm, CSA, and products
- Read reviews from other CSA participants
- Exchange messages with other CSA participants
- Participate in online events (For example: Webinars or discussion sessions)
- Create a public profile of themselves

% of Respondents
CSA OUTCOMES

- Financial outcomes
- Participant growth/acquisition [single item]
- Participant retention (i.e. turnover) [single item]
- Participant Satisfaction
- Product and Process efficiency
- Revenue, demand, and price uncertainty
- Farmer satisfaction with the CSA

*(Multi-item measure, 7 item Likert scale, unless otherwise noted)*
PARTICIPANT RETENTION

- More than 90%: 14.74%
- 51-75%: 31.04%
- 76-90%: 26.18%
- 26-50%: 18.03%
- 11-25%: 7.30%
- Less than 10%: 2.72%

What percentage of your 2011 CSA customers came back for 2012?

Legend:
- Blue: Less than 10%
- Green: 11-25%
- Yellow: 26-50%
- Purple: 51-75%
- Green: 76-90%
- Red: More than 90%
PARTICIPANT GROWTH/DECLINE

How did your membership in your CSA change from 2011 to 2012? Did it:
- decrease by 50% or more
- decrease by 26 – 49%
- decrease by 5 – 25%
- stay about the same
- increase by 5 – 25%
- increase by 26 – 49%
- increase by 50% or more

Pie chart showing percentages: 33.10%, 24.68%, 17.26%, 12.27%, 8.56%, 1.14%, 3.00%
FINANCIAL OUTCOMES

My CSA is profitable.
My CSA contributes to the overall viability of my farm.
My CSA allows me to sell products I would otherwise throw away.
In general, I receive a higher selling price for products distributed through my CSA

(First 2: Chronbach alpha: .71)
PRODUCT OUTCOMES

Because I have a CSA:- I am able to provide fresher products to my customers.

Because I have a CSA:- I can offer higher quality products.

Because I have a CSA:- I am able to provide a larger variety of products to my customers.

Because I have a CSA:- I am able to offer more specialized products to my customers.

Chronbach Alpha: 0.866
PROCESS OUTCOMES

Because I have a CSA: - The efficiency of my farm has improved.

Because I have a CSA: - My planning has become more efficient.

Because I have a CSA: - I am more efficient at product distribution.

Chronbach Alpha: 0.863
PARTICIPANT: AFFECTIVE COMMITMENT

Based on your experiences with your customers, indicate your agreement with the following:- The CSA at your farm has a great deal of personal meaning for your customers.

Based on your experiences with your customers, indicate your agreement with the following:- Most CSA customers feel a strong connection to your CSA.

Based on your experiences with your customers, indicate your agreement with the following:- Most CSA customers feel like they are a part of the CSA at your farm.

Based on your experiences with your customers, indicate your agreement with the following:- Most of your CSA customers have a real emotional attachment to the CSA at your farm.

Based on your experiences with your customers, indicate your agreement with the following:- There is a strong sense of belonging to your CSA for most of your customers.

Chronbach Alpha: 0.935
PARTICIPANT SATISFACTION

Our customers are very satisfied with:-the CSA in general.

Our customers are very satisfied with:-the information we provide about the CSA.

Our customers are very satisfied with:-the delivery and pickup of their CSA order.

Our customers are very satisfied with:-the quality of the items in the CSA order.

Our customers are very satisfied with:-the number of different items they get in their CSA baskets.

Chronbach Alpha: 0.847
REVENUE STABILITY

Because I have a CSA:-I am certain of my revenue stream.
Because I have a CSA:-The revenue of my farm is reliable.
Because I have a CSA:-There is an increase in the stability of my revenue.
Because I have a CSA:-The farm's revenue is more predictable.
Because I have a CSA:-Unexpected events are not a threat to my farm's profitability.

Chronback Alpha: 0.847
DEMAND/PRICE STABILITY

Because I have a CSA:-I am certain of the demand for my products

Because I have a CSA:-Demand for my products is more stable.

Because I have a CSA:-I am more certain about the prices I will receive for my products.

Because I have a CSA:-The prices I charge are more stable.

Because I have a CSA:-Unexpected price changes from competitors will not affect my prices.

Chronbach Alpha: 0.89
FARMER SATISFACTION

Your Evaluation of your CSA:- I am satisfied with my CSA.

Your Evaluation of your CSA:- My expectations regarding the CSA overall have been fulfilled.

Your Evaluation of your CSA:- Having a CSA is a useful part of my business.

Your Evaluation of your CSA:- I'm glad I have a CSA.

Chronbach alpha: 0.848
### OUTCOMES AND CSA RELATIONAL APPROACH

<table>
<thead>
<tr>
<th></th>
<th>CSA Relational Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant Retention</td>
<td>0.138**</td>
</tr>
<tr>
<td>Participant Growth</td>
<td>0.141**</td>
</tr>
<tr>
<td>Profitability of the CSA</td>
<td>0.142**</td>
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<tr>
<td>Product Quality Impacts</td>
<td>0.192**</td>
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<tr>
<td>Process Efficiency Impacts</td>
<td>0.185**</td>
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<tr>
<td>Participant Commitment (Affective)</td>
<td>0.542**</td>
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<td>Revenue Stability</td>
<td>0.407**</td>
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<tr>
<td>Farmer Satisfaction with the CSA</td>
<td>0.201**</td>
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</tbody>
</table>

Partial correlation controlling for number of CSA participants.

**: p<=0.001
ONLINE PRESENCE AND CSA OUTCOMES

Has a website?
  • Profitability (Higher) & Retention (Lower)

Has a facebook page?
  • None significant

Has a twitter account?
  • None significant

How often ___ is updated
  • Website & Participation Satisfaction (positively associated)
  • Twitter & Participant Satisfaction (negatively associated)

Results based on MANOVA analysis, N = 812
TRANSACTIONAL CAPABILITIES AND CSA OUTCOMES

Sign up on line
  • Lower retention

Pay online
  • Lower retention, higher growth

Change Contact info
  • None significant

Notification of a pickup
  • Higher product quality, Higher farmer satisfaction, Higher retention

Find out what’s in the upcoming box
  • Higher process efficiency, Lower retention

Select what is the upcoming box
  • Higher affective commitment, Higher retention

Finding out pickup and location times
  • Lower retention, higher growth

Results based on MANOVA analysis, N = 812
TRANSACTIONAL CAPABILITIES AND CSA OUTCOMES

• Providing “set-up” activities online is associated with higher participant growth...and lower participant retention

• Providing information and options for individuals boxes is associated with higher participant retention
RELATIONAL CAPABILITIES ONLINE AND CSA OUTCOMES

- Contact the CSA coordinator
  - Lower retention
- Exchange messages with particular members of the farm/CSA
  - Higher participant satisfaction and affective commitment
- Find out about local food events, make suggestions about the CSA, arrange visits to the farm
  - Not significant
- Participant in online events
  - Lower product, process outcomes
  - Lower revenue and demand stability
  - Higher affective commitment
- Find out how they can help on the farm
  - Higher product, process outcomes
  - Higher revenue and demand
  - Lower retention
CONCLUSIONS

• Its not just a matter of having social media infrastructure – it’s a matter of how you use it.

• Transactional capabilities
  • Providing “set-up” activities online is associated with higher participant growth...and lower participant retention
  • Providing information and options for individuals boxes is associated with higher participant retention

• Relational capabilities
  • Non-trivial interactions with the logistical structures, relational practices, and CSA overall approach