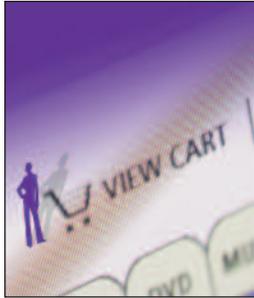


Electronic Marketplaces: *How to 'Net' Your Customers*



"Are you on Facebook?" "What's your email?" "I Googled you and your company was not listed; are you still open?" For those looking to sell agricultural products directly to customers, these questions have become more common.

As generations continue to get farther from the farm and people move farther from their birthplaces in pursuit of scarcer jobs, food customers are learning to build a community of trusted sources on the Internet. As we enter the second decade of the 2000s, online business options are endless, the technology is cheap, and the learning curve is more of a molehill than a mountain.

No matter the size of your business, a total business plan should include a marketing budget. Marketing plans may include product development plans, operation timelines, personnel and management frameworks, budgets, and marketing and advertising schemes. Marketing efforts are categorized into four distinct activities: describing the product, determining the product price, outlining promotion activities, and finding the best place to sell the product. The focus of this article is to familiarize business owners with the potential for electronic marketplaces to successfully showcase your product.

While venturing into electronic marketplaces may seem overwhelming, this type of product placement is simply another option to consider in your overall business marketing plan. The principles of marketing remain the same; spending time and resources on correctly marketing your product will result in added sales. Examples of traditional marketplaces include distributing products through a

network of wholesale or retail buyers, selling through catalogs via mail orders, or selling in-person to consumers or retailers from your home or storefront location.

Just as there are many levels within each product marketplace option, an E-market presence also provides different levels of marketing options. Basically there are three dimensions of Internet marketplaces:

- A single-dimension website is a basic webpage that communicates static information about your product.
- A two-dimension website allows for two-way communication with your customers, allowing them to place orders and make purchases.
- The multi-dimension web marketplace has all of these capabilities and also acts as your company's "virtual handshake," expanding your reach to the universe of interested and related participants.

To build a single-dimension website, start by drafting an outline that lists your desired content, and plan to update it often to keep it fresh, relevant, and interesting to your customers. Often we will hear of a great product from a friend, and when asked where they bought it, the friend can only recall the image on the bottle, or the farm name, or the friendly clerk who described a new cooking method.

When collecting content such as pictures, products, and prices, think about what your customers have told you is exciting or unique about your sale items, and feature these on your homepage. Your website is built around your farm or product brand, or image, which connects you



MISSISSIPPI STATE
UNIVERSITY
EXTENSION SERVICE

and your current customers and can be used to attract repeat and new sales.

Adding the capacity for sales orders and payments opens the “door” of your website, allowing customers to take action in response to the content on your site. This second dimension adds another storefront where your business can complete transactions and receive customer feedback. Depending on the level of complexity desired by your customers and the security level of your online presence, net-based sales can be completed online, or orders can be placed online and payments mailed, phoned, or faxed in to your business.

The multi-dimensional website adds one or more layers of socially constructed content pieces to your basic pictures, product and price lists, and sales functions. These content pieces include any combination of blogs, wikis, white papers, and other techniques.

Providing this type of content allows your company to build a social network based on your product line. It might focus on the uniqueness of your product or process, such as organically grown produce or grass-fed beef. These features can expand your brand connection by hosting an Internet-based meeting place for a like-minded, respected, and trusted community of individuals.

The first step is to consider your current marketplaces, and decide which dimension might best serve your online marketplace needs. As with any marketing plan, the budget and time required varies with your individual business goals. There is a tradeoff between technical knowledge and Internet marketplace costs.

One of the unique aspects of an online marketplace is the level of control your business has on the content, features, and technical complexity. If you have access to technical training or the patience to navigate through the many free or low-cost website options, it is possible to build a multi-dimensional site on your own.

Building an online marketplace allows you to reach a wide audience with your branded product message with minimal investment costs. There are time costs that must be factored into your online marketplace decision, because technologies change quickly and regular updates are required.

The story of your product line can be communicated across geographic boundaries, reaching new customers and improving sales. Website user data can be recorded, providing you with a customer profile that you can use to improve and enhance your product line.

If you’d like to explore this option further, or if you need help drafting an Internet marketplace plan, contact—

Dr. Kimberly Morgan
Department of Agricultural Economics
P.O. Box 5187
Mississippi State, MS 39762
(662) 325-0413
morgan@agecon.msstate.edu.

Copyright 2011 by Mississippi State University. All rights reserved. This publication may be copied and distributed without alteration for nonprofit educational purposes provided that credit is given to the Mississippi State University Extension Service.

By **Dr. Kimberly L. Morgan**, Assistant Extension Professor, Agricultural Economics.

Discrimination based upon race, color, religion, sex, national origin, age, disability, or veteran’s status is a violation of federal and state law and MSU policy and will not be tolerated. Discrimination based upon sexual orientation or group affiliation is a violation of MSU policy and will not be tolerated.

Information Sheet 1893

Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. GARY B. JACKSON, Director

(POD-02-11)



MISSISSIPPI STATE
UNIVERSITY

EXTENSION SERVICE

msucares.com