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, Cronbach 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 suggestions /
- 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 ideas
- Have a person at the pickup locations to talk to and
- 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
Online Presence – How Long

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 measures, 7 item Likert scale, unless otherwise noted)
PARTICIPANT RETENTION

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

- Less than 10%: 2.72%
- 11–25%: 7.30%
- 26–50%: 18.03%
- 51–75%: 31.04%
- 76–90%: 26.18%
- More than 90%: 14.74%
How did your membership in your CSA change from 2011 to 2012? Did it:

- increase by 50% or more: 3.00%
- increase by 26 – 49%: 8.56%
- increase by 5 – 25%: 24.68%
- stay about the same: 33.10%
- decrease by 5 – 25%: 12.27%
- decrease by 26 – 49%: 1.14%
- decrease by 50% or more: 17.26%
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: Cronbach alpha: 0.71)
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.

Cronbach Alpha: 0.866
PROCESS OUTCOMES

• Because I have a CSA
  • The efficiency of my farm has improved.
  • My planning has become more efficient.
  • I am more efficient at product distribution.

Cronbach 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.
- Most CSA customers feel a strong connection to your CSA.
- Most CSA customers feel like they are a part of the CSA at your farm.
- Most of your CSA customers have a real emotional attachment to the CSA at your farm.
- There is a strong sense of belonging to your CSA for most of your customers.

Cronbach Alpha: 0.935
PARTICIPANT SATISFACTION

• Our customers are very satisfied with…
  • the CSA in general.
  • the information we provide about the CSA.
  • the delivery and pickup of their CSA order.
  • the quality of the items in the CSA order.
  • the number of different items they get in their CSA baskets.

Cronbach Alpha: 0.847
REVENUE STABILITY

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

Cronbach Alpha: 0.847
DEMAND/PRICE STABILITY

• Because I have a CSA
  • I am certain of the demand for my products
  • Demand for my products is more stable.
  • I am more certain about the prices I will receive for my products.
  • The prices I charge are more stable.
  • Unexpected price changes from competitors will not affect my prices.

Cronbach Alpha: 0.89
FARMER SATISFACTION

• I am satisfied with my CSA.

• My expectations regarding the CSA overall have been fulfilled.

• Having a CSA is a useful part of my business.

• I'm glad I have a CSA.

Cronbach 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>
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<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

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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

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

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

Change Contact info
  • None significant

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

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

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 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 arrangements, relational practices, and CSA overall approach