



Demystifying Digital Marketing and E-Commerce for Food Businesses

In the current economy, an online presence is imperative for even the newest brands. Few consumers will see a brand as credible if they can't pick up their mobile device and quickly gain at least a little bit of knowledge about it. The obvious question for food entrepreneurs is "what does my brand need to look like online?" For some, it may be as simple as a website, while others may build a community or expand their influence through social channels, and yet others may want to grow their business selling their products online.

The importance of digital marketing and e-commerce has grown steadily over the past decade, but greatly accelerated due to the COVID pandemic of 2020. Whether in response to lockdowns, closures of favorite businesses, fear of in-person shopping or a host of other factors, consumers' shift to the digital world for information and purchases exploded. According to data from IBM's U.S. Retail Index, the pandemic has accelerated the shift away from physical stores to digital shopping by roughly five years.

Digital Habits Influenced by COVID-19



While these surges impact nearly all business segments, food and beverage businesses were uniquely impacted. Pandemic-driven restrictions forced restaurants to adopt pick-up and delivery options often backed by e-commerce platforms and to improve their online presence to stay visible and relevant to consumers. Meanwhile grocers dealt with consumers increasingly looking to alternative models to avoid in-person shopping as well as purchase items that have been hard to find in physical locations. According to Hartman Group, consumers spent 29% of their weekly grocery budget online in June/July 2020 compared to 10.5% for year 2019. And the longer pandemic-related restrictions remain in place, the deeper these new behaviors become entrenched with consumers.

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These changes are likely enduring as the desire for alternative models to traditional brick and mortar shopping such as curbside pick-up have grown.



There has been a clear shift in how consumers discover, experience and purchase food brands, whether new or ones they've long trusted. Navigating e-commerce and online marketing can be both intimidating and overwhelming for scaling food businesses. The following self-guided module seeks to demystify e-commerce and digital marketing for Minnesota's food businesses, providing both fundamental information and considerations for the scaling food business as they consider how to build their brand's online presence.

ACKNOWLEDGMENT

This guide was made possible in part to financial support from the Minnesota Department of Agriculture.



Let's get started! Click the button below to move to the first section. You can also navigate through the guide using the menu on the left side of the page.

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2. Website

Creating Your Brand's Online Presence

Why get your brand online?

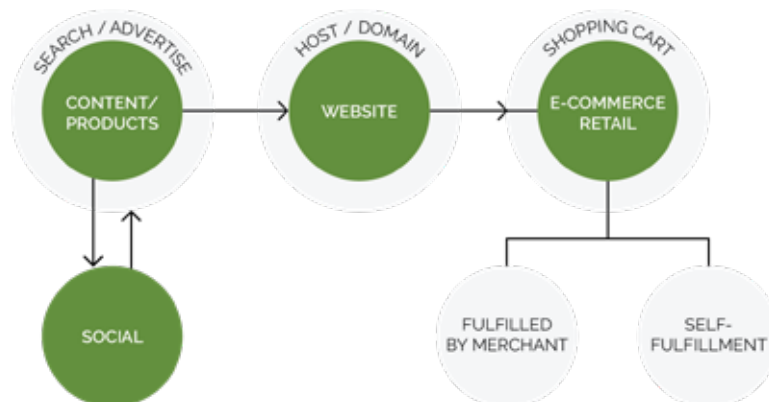
Like other aspects of your food business, creating your brand's online presence requires planning that can benefit from a strategic approach. Before jumping into a website builder or the latest social channel, consider your objectives for your business' online presence.



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There are a number of logical reasons to be online including:

- Telling your story. Sharing information that builds connection between your brand and consumers including the inspiration and people behind the business or a social cause supported by the business.
- Providing information about your brand including product descriptions, nutrition and ingredient information, recipes or usage suggestions, where to buy and how to contact your company.
- Make connections and build community. Do you want to foster and maintain individual conversations with consumers? Or foster connection between your consumers?
- Selling product. Whether through an online retailer, directly on your company website or other web-driven distribution models to build sales and distribution.



Addressing these issues takes an interconnected matrix of tools. Depending on your business' needs, you may turn to some or all of these tools and do so in a number of different sequences. No single right path exists, rather it's important to be knowledgeable of the tools that will help create the desired end result.

Making Your Website Work Harder

A company website is the most common online communication tool and it's rare for a company not to have one. But the challenge for food companies is to make their website a marketing tool rather than just something that exists because all businesses seem to have one. Two key questions can ensure your website is an effective marketing tool.



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1. What business objectives does the website need to achieve?
2. What do potential and current customers/consumers need from our website?

Considering these two questions helps develop a website that is valuable to both the company and its customers.

What business objectives does the website need to achieve?

Websites can accomplish or support a number of business objectives. Defining how your website should impact these objectives will focus the site and the resources you use to develop content. For example, you might want your site to:



TELL A BRAND STORY

Tell a brand story that makes a compelling connection with the audience. This may be particularly important to social enterprises or where the inspiration behind the brand is rooted in the history of the founder or is highly relevant to the target audience.



PROVIDE INFORMATION

Provide consumers (and potentially retailers) with information including product assortment, nutritional information, ingredients, recipes, usage suggestions, where to buy, how to become a distributor, and contact information for the company should the consumer have a question or concern.



COLLECT INFORMATION

Collect user feedback or contact information for your marketing database.



PROMOTE

Communicate brand or product news, promotions or events.



SELL

Enable purchases through a shopping cart, connection to third-party online retailers or pointing consumers to brick and mortar retail locations.

What do potential and current customers/consumers need from our website?

While the question above is inwardly directed, thinking about what visitors to your website want from it may be even more valuable. Think about why they're visiting the site and what information and activities are most important to them.

There are two basic concepts that guide this thinking: User Interface (UI) and User Experience (UX).

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USER INTERFACE (UI)



User Interface is the way in which the user interacts with the website. This might include whether your consumers are likely to access your site on a desktop vs mobile device; or whether or not a shopping cart or search function is included front and center.

USER EXPERIENCE (UX)



User Experience is the sum of emotional and cognitive interactions that a consumer has with a product or service, and in this case its website. Is it visually appealing? How easy is it to use or navigate? How does it make the user feel? The following "honeycomb matrix" demonstrates many of the considerations of User Experience. Thinking about each element of your website with these considerations in mind can help improve UX.

Developing your website or e-commerce offering should be done from a UI/UE perspective. That is to say, to think through each piece of content and each step of navigation from the perspective of the consumers that will be visiting and using the site; and to ultimately create a site that maximizes the user's enjoyment and ease of use. From a content perspective, this means organizing content in a way that consumers would logically think about it or positioning the most sought-after information first. From an e-commerce perspective, this would include how shoppers are able to review information when considering the product or minimizing the number of clicks necessary to purchase the product.

2. Website

Content Considerations

Beyond selling products and communicating basic product information, one of the most powerful uses of a brand's website is story telling. A website can provide consumers a genuine representation of the brand, allows them to foster personal connections, can begin to move consumers toward purchasing products and develop an affinity for the brand.

Your brand story could contain any number of facets of your brand including business history or the inspiration behind the business, its mission and vision, how you interact with your marketplace and consumers and how your products meet consumers' needs.

When thinking about telling your story, it's useful to consider your brand's positioning statement; or write one if you've not already done so. A basic framework for positioning is:

For **[the target]**, this brand is the one **[product frame of reference]** that provides **[unique benefit]** because **[reason to believe]**.

Think about your business' target consumer, what your product does for them that no other product does (or what problem does it solve) and what are the facts or data points that you would use to support the claim to providing the benefit. This framework can lead to creating website content that uniquely supports your brand.

A Hypothetical Example:

Consider the example for an imaginary local juice company, Great Northern Farms, making unique juice blends in a vertically integrated operation.

For **health and flavor seekers**, Great Northern Farms is the one **juice blend** that provides **moments of daily adventure** because **our "juice-ologists" create a unique rainbow of juice blends that deliver a rich source of vitamins from organic vegetables grown on our farms in Minnesota.**

✓ Rather than target a specific demographic, or even all juice drinkers, Great Northern Farms is made for people looking for healthy flavorful choices.

✓ Great Northern Farms' core benefit is an emotional one: to offer moments of daily adventure. Often emotional benefits create a stronger positioning than product focused ones.

✓ Their claim is supported by the facts that they have an expert creating the products and they come from Minnesota organic vegetables.

✓ The frame of reference is juice blends; creating a distinction for who they compete against.

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Some other key considerations for telling your brand story:



Your mission, vision and brand values.

What motivated me to start my business? Why does our business exist? How do we contribute to our customers or to the world? What's important to our business and is that sentiment shared by our customers? Determine your brands' "why, how and what" and share it to make a powerful connection with consumers.



Understand how your product fits into your story.

The brand story and product should naturally reinforce one another. Is your product quality and price point reflective of other brand image elements? Is the origin of your business clearly connected to how your product helps consumers solve a problem or how it makes them feel?



Understand your target audience.

Not only who they are from a demographic standpoint, but who you see as your ideal customer and how your product will enhance their daily life.

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These Minnesota food businesses do a great job of telling their story through their website:



CITY GIRL COFFEE

This coffee roaster is dedicated to supporting women-owned coffee growers.



SEVEN SUNDAYS

A certified B-corp making breakfast cereals and focused on regenerative agriculture and small grains.



GRANDMA'S GOURMET

A local small batch food manufacturer that puts homemade and local ingredients at the forefront of their offerings.



NORTH MALLOW

This gourmet marshmallow maker promises a better marshmallow and tells their background story to engage consumers.



JONNY POPS

A frozen treat manufacturer that quickly tells their story of ingredients, taste and kindness.



STEP ONE FOODS

A provider of foods clinically proven to improve health demonstrates how their product is science-backed.



PEACE COFFEE

A local coffee roaster that does a great job of providing usage tips and connecting their consumers to their growers.

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Resources

For more insights on brand storytelling visit:

- [Content Marketing Institute](#)
- [Kerry Digest Blog](#)
- [Food Dive News](#)

For more information on UX/UI visit:

- [Adobe XD Ideas](#)
- [Guru99](#)
- [Prototypr.io](#)
- [TestingTime](#)

2. Website

Technical Considerations

When developing a website, entrepreneurs have three primary approaches along a spectrum of complexity from “do-it-yourself” sites to fully customized built and hosted sites, to hybrids falling somewhere in between.

Which approach is best for your business is a matter of time, cost and experience, both in initial development and ongoing site maintenance.



1. “Do-it-Yourself (DIY)” platforms

The easiest and least expensive way to establish a website is through one of many “do-it-yourself” web platforms including web.com, wix.com, weebly.com and godaddy.com. These services provide a turnkey solution offering users a domain name, hosting platform, customizable design templates and a variety of plug-in apps to enable activities such as e-commerce. These site-builders often provide access to stock photography as well as enable the user to upload their own images. These platforms leverage a “WYSIWYG” (what you see is what you get) approach to design, meaning an individual with no technical skills can design a website.

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2. Professionally designed websites:

On the opposite end of the spectrum are custom designed websites. These sites require selection of a website host and custom development of the site architecture; and as such, will most often require assistance from one or more professionals to help create and manage the website. Because of their complexity and the resources necessary, they are often a more expensive option. Some of the key considerations and resources in this approach include:

- A web hosting platform — the electronic system that will house the website.
- A domain name.
- A web designer or team knowledgeable in user experience, site design and programming languages to manage the development of the site. These individuals (or others like them) can handle ongoing maintenance of the site once live.
- Content resources to create copy, images or video for the site itself.

3. Hybrid model:

Many food companies find their needs lie somewhere in between the two models described above and WordPress provides a solution. From its beginnings as a blogging site, WordPress has evolved into the dominant website platform powering 39% of all websites. It is a highly customizable, but easy to use platform popular with many small and medium sized businesses. Similar to do it yourself (DIY) tools, WordPress offers customizable templates, though the freedom to edit is far greater than with DIY sites. With that freedom comes a slightly more complicated programming interface. Unlike DIY sites, a WordPress site requires the user to host and maintain the site on a separate web hosting platform. A WordPress site, while relatively straight-forward, requires some level of experience to manage efficiently. A food business may want to outsource the management of a WordPress site if they do not have the technical abilities, interest or time to learn.

Resources

For food company templates, visit:

- [Wix Food Templates](#)

For more information on starting a food business website, visit:

- [The Strikingly Blog: Food Websites](#)

The blog sections of DIY website builders offer some great guidance. Here's some of our favorites:

- [Wix Support: Getting Started](#)
- [Web.com: Website Checklist](#)
- [Web.com: Building a Website](#)

2. Website

External Support Resources

While a solo entrepreneur or a small internal marketing team can handle many online marketing and e-commerce efforts, at times a food business may want to turn to external resources. Below are a few of the external resources available to help create and support an online presence.



COPYWRITERS

Copywriters are professionals that provide creative copy writing for websites as well as other marketing efforts. They can help a food business create compelling headline, informative brand stories, product descriptions and marketing content. Many are well versed in writing for a number of different styles, but it's advisable to review their prior work to understand if their style is consistent with the positioning you want to establish for your brand. Partners hired to do this work need to understand your story, and you need to be sure their words convey authenticity.

PHOTOGRAPHY AND VIDEOGRAPHY

Photography and Videography are critical to communicating in highly visual online media. The DIY website platforms offer limited stock photography or food businesses can use stock photography from resources like istockphoto.com or shutterstock.com. Often a photographer or videographer is necessary to create proprietary images for the food business. When looking for resources, it's important to consider the type of imagery you're seeking. Some photographers specialize in shooting food shots for editorial content while others may specialize in packaging or even lifestyle.

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WEBSITE DEVELOPERS

Website Developers are a team or individual that manages the technical side of creating and maintaining a website. They consider the user experience, create a website wireframe, or skeletal framework, to organize content and ultimately build the digital assets that become the website. Most developers will also offer ongoing website maintenance.



SOCIAL MEDIA SPECIALISTS

Social Media Specialists sometimes also called content specialists, are marketing professionals specializing in creating content for the various social media platforms. They are skilled in writing content and curating images in a manner appropriate for each channel. While it's tempting for small food businesses to want to manage their social media themselves, it can be very time-consuming and an outside resource may free the business owner to do other things while providing consistent focus to the social efforts.



GRAPHIC DESIGNERS

Graphic Designers can create logos, drawings and icons for websites and other marketing materials, but are also experts in laying out attractive and persuasive documents. They can be leveraged alongside a website developer or to help the food business design a website through one of the DIY web platforms.



FOOD STYLISTS

Food Stylists are a lesser known but critical resource to the photography and videography process. A food stylist is skilled at preparing and plating foods to create successful images. They work in partnership with the photographer. Many photographers have food stylists they work with regularly or can suggest options.

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Resources

Selecting professional assistance can be challenging for food businesses. Several sources for finding these resources exist:

- Networking with other food businesses is a great place to find vetted resources.
- Searching online for the above job titles will also yield many options. When considering resources found online, consider the type of clients they serve and seek out those with expertise in food, if not your specific product category.
- Reach out to local colleges and universities to find out if there are student groups or classes that are looking for real world problems/activities to work on.
- The **Grow North Resource Database and Forge North MSP Startup Compass** highlights organizations that support growing food businesses, both for the marketing roles listed above but also a broad array of other support services.
- The **Minnesota Department of Agriculture** offers marketing support to Minnesota food companies, including cost-sharing for e-commerce related expenses. Their resource does not provide connection to service providers.
- The Minnesota chapter of the **Public Relations Society of America (PRSA)** provides a searchable database of public relations professionals.
- The **Minnesota Council of Non-Profits** is an industry organization. Their website contains a searchable database of business resources including marketing and e-commerce service providers.
- **Foodexport.org** focuses on helping food business access foreign markets. They've created an **11-module training course** to help food businesses navigate selling products internationally. Additionally, in the current COVID-limited environment, they offer online consultations to guide food companies in market introductions.
- The **Twin Cities Collective Academy** is a paid education series focused on helping entrepreneurs improve their online marketing skills. While the series is not specifically food-focused, it may provide deeper engagement on the topics covered in this resource.



3. Marketing

Leveraging Online Marketing Channels to Build Your Brand

The number of online marketing channels is broad and continues to rapidly evolve as new platforms launch and gain acceptance with various audiences. These channels, often search or social media driven, provide opportunities to promote your business and products in a highly targeted manner. They provide the ability to engage individually with your customers, find out what customers are saying about your brand, promote new products, increase website traffic, and ultimately drive brand loyalty.



While these platforms offer what appears to be inexpensive ways to reach and engage target consumers, they hold the risk of draining resources from a small food business — both time and financial. Often food companies rush to create a presence on several leading platforms without considering how each platform is best used, which consumers are likely on the platform and what content is most applicable. Considering these factors can help a brand wisely choose which platforms they should utilize and which they might want to ignore. This is also useful if there are limited resources available, limiting time and dollars spent on platforms that will return the most value.

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Overview of Online Marketing Channels

Popular online marketing channels are often mistakenly referred to in whole as social media when in fact, they can generally be grouped into four primary categories based on the type of activity they encourage including social networking, microblogging, search, and photo/video sharing. It's important for food businesses to consider their marketing objectives and decide which online channels best support meeting the objectives to right-size the resources invested in building and maintaining an online presence.

Data gathered and considered accurate as of December 2020.

Social Networking

Type/Channel	Who Uses?	How it's Used?	Food Business Opportunities	Limitations
Facebook	69% of U.S. adults use Facebook; driven by ages 18–64; Only 46% of adults 65+ and 51% of teens use Facebook.	The social media pioneer, user share photos, quotes, and points of view. Users post their own feed and interact with feed from others.	Highlight events, promotions, new products and insert themselves in relevant usage occasions. Free to create profile page. Paid promotion of content through Facebook Business Manager.	Actual two-way conversations are rare.
LinkedIn	>160 million U.S. users. 77% of users have at least some college education. More than 37% of people 20–49 years old use LinkedIn. 49% have income >\$75k+.	Largest networking site for business professionals; users' network with other professionals about common business interests, seeking employment, self-promotion.	Share company news, highlight new products and offer thought leadership. Free to create profile pages. Paid promotion through sponsored posts that appear in the users' feed; targeted by rich demographics, experience level and job function. Specifically target individuals and send messages through Sales Navigator.	Business-to-business site, so less useful to reach consumers; may be a great fit for businesses serving restaurants, institutions or food manufacturers.

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Microblogging

Type/Channel	Who Uses?	How it's Used?	Food Business Opportunities	Limitations
Twitter	22% of U.S. adults on Twitter. Skews to younger audience, though shifting older.	Users send and receive Tweets, short posts, up to 280 characters. Tweets can be messages, include links to relevant websites and other resources. Twitter users follow other users.	Place ads and sponsor tweets to get them in front of target audiences. Highlight events and promotions, share videos, drive traffic to company websites.	Character limit may make some messaging difficult.
Tumblr	31 million U.S. users. Hosts more than 480 million blogs. 40% of Gen Z and 30% of Millennials use Tumblr.	Microblogging channel with heavy photo/video focus. Users post content to their feed. Can be accompanied by text without length restrictions. Other users can comment on posts and repost to their boards.	Share content that highlights product usage or new product news. Sponsor posts to drive exposure with their audience.	Not particularly efficient for sharing time-sensitive posts. User interaction through comments only.

Search Engine

Type/Channel	Who Uses?	How it's Used?	Food Business Opportunities	Limitations
Pinterest	87 million U.S. users. About 1/3 of people from 18–64 use Pinterest; but only 15% of people 65+.	Visually driven search engine lets users find, gather and organize ideas like recipes, home and style inspiration, etc. Users search topics similar to how they would Google, with the returned items being "pins" from other users. Users can then save and store them to their personal bulletin board.	Highlight the brand offering, share product use ideas and recipes. Sponsor content and target audiences by demographics, interests, and keywords. Often, food companies navigate the user to a website or online shopping cart.	Useful only for visual relevant content. Not useful for time sensitive information.
Youtube	73% of U.S. adults use YouTube. 38% log in several times a day. Nearly 90% of adults 18–49 use YouTube.	Users create and share videos on a wide variety of topics for educational and entertainment purposes.	Share content highlighting product uses, recipes, and promotional events. Multiple options to place ads at start of other video content; not necessarily relating to the content it's preceding. Video discovery ads can place an ad in the stream of results for a given search allowing a food company to place their ad within other relevant content.	Useful only for video relevant content. Not useful for time sensitive information.

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Photo/ Video Sharing

Type/ Channel	Who Uses?	How it's Used?	Food Business Opportunities	Limitations
Instagram	116 million U.S. users. Skews younger — 75% of 18–24 year-olds on Instagram, but only 8% of adults 65+.	The dominant photo sharing app lets users upload photos and short videos. Users can caption posts, use hashtags and location-based geotags to make posts searchable by other users. Posts appear on followers' feeds and are viewable by the public when tagged.	Sponsor posts to target specific types of users. Shopping possible through in-app shopping cart. Post can be made shoppable or brands can provide collections through an editorial approach.	Visual media not ideal for longer descriptions, narrative or storytelling.
Snapchat	98 million U.S. users. 69% of 13–17 year-olds and 62% of adults 18–29 use Snapchat.	Photo and short video sharing intended for quick and temporary viewing. Users exchange pictures and videos meant to disappear once viewed. Users can add filters, lenses or other effects. More social-focused than other photo-sharing platforms.	Share images and video with targeted uses through sponsored posts. The platform allows businesses to build brand and product awareness, showcase services and drive traffic to company websites. Provides for in-app shopping.	Temporary nature of images. 1:1 engagement time consuming to maintain.
TikTok	80 million U.S. users. 60% between 16–24; 26% 25–44.	Short-form, video-sharing app that allows users to create and share 15-second videos, on any topic.	Similar to other social sites, sponsored ads can build awareness or drive users to purchase.	Current age of user-base may limit impact on sales.

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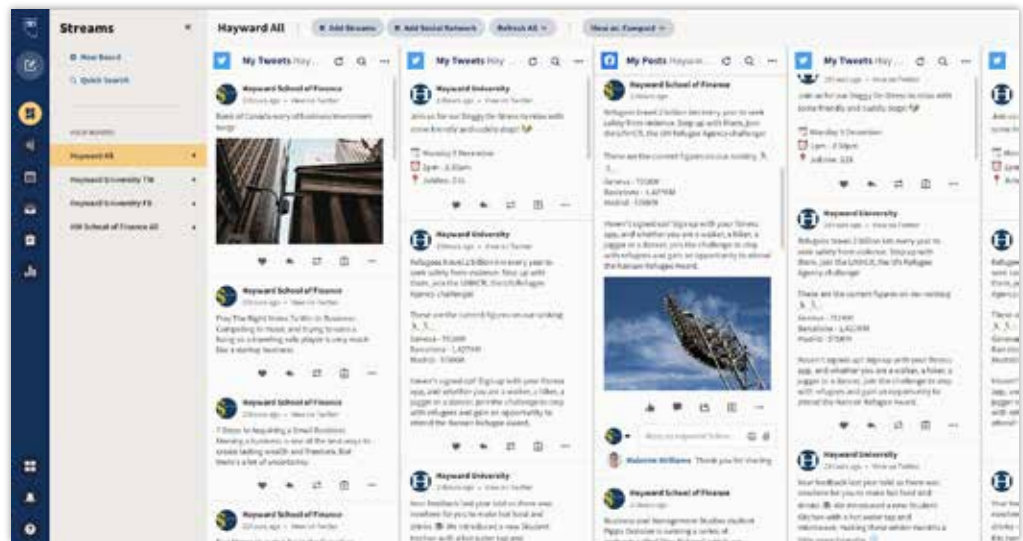
Managing Your Online Marketing Efforts

The opportunities to market your food business online through the well-established online marketing channels is endless. Given the many platforms offering free opportunities to publish content and that the promotion of that content is scalable, it's tempting for food businesses to jump at creating a presence on many or all of them. However, it's important to consider the overall expense of being on multiple channels both in real dollars and the tradeoffs in terms of resources to manage an online marketing campaign. Attracting a new visitor to a website or converting a visitor to a sale, both have costs that should be weighed against the value of their initial and repeat sales.

One option is to hire a social media or content specialist to manage the process on your behalf. Many individual practitioners and small firms can offer services for food businesses in the early stages of their social media communications initiative. We've provided several paths to resources here. For those interested in creating and managing their own online presence, but looking for assistance.

Leading Social Media Management Platforms

Social media management companies offer their clients services to help schedule, manage and publish posts with ease and trackability. Three of the leading platforms are summarized and compared here. Similar to website hosting platforms, each offer unique benefits on top of a core set of similar services.



HOOTSUITE

Hootsuite is a social media management platform that helps companies optimize their time by scheduling posts, pictures, or videos for publishing via Twitter, Facebook, Instagram, LinkedIn, YouTube, and Pinterest. The tool allows the user to build out a social media campaign and schedule posts for specific predated times without pushing the 'send button' for each individual post. The system offers four subscription levels to accommodate number of users and social profiles. The platform is organized on one dashboard to help schedule, publish and manage content. Hootsuite enables users to create custom reporting and analytical tracking — more so than Buffer and Sprout Social.

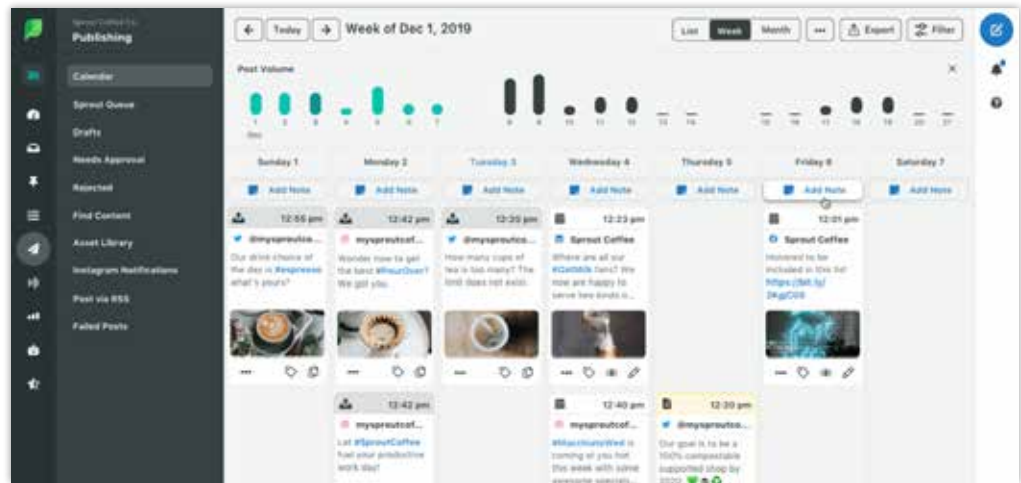
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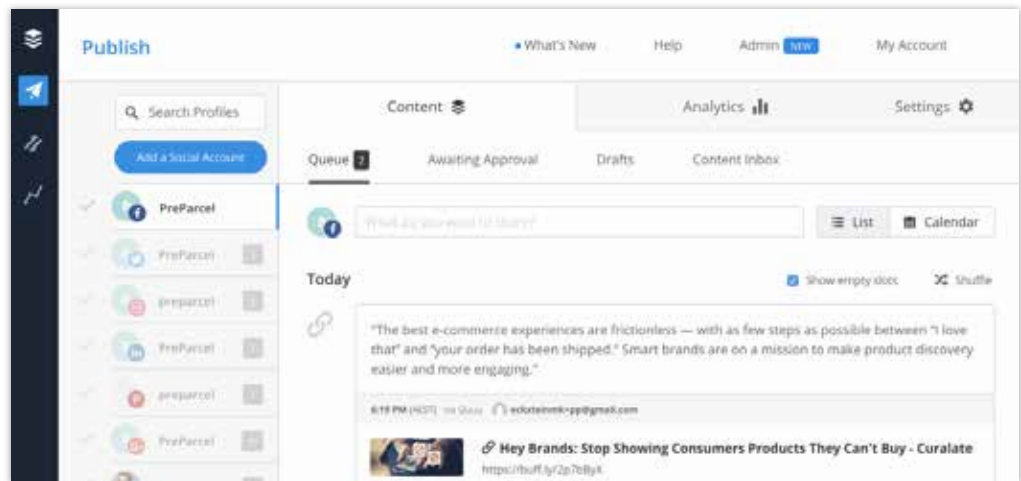
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SPROUT SOCIAL

Sprout Social is a social media management and optimization platform that provides a single hub platform for social media publishing, analytics, and engagement across all social profiles. It offers full integrations with Facebook, Instagram, Twitter, LinkedIn, YouTube, and Pinterest. And similar to Hootsuite offers plans for various numbers of users and social profiles. Sprout Social hosts a three-tiered subscription model but does not offer a free user option. However, it does have a 30-day free trial. Sprout Social has a user-friendly interface and offers extra features like social CRM and audience discovery capabilities.



BUFFER

Buffer is a software application designed to manage accounts in social networks by providing a means for a user to schedule posts to Twitter, Facebook, Instagram (IGTV), and LinkedIn. Buffer has two services that go hand-in-hand but are individually priced: Buffer Publish and Buffer Analyze. Buffer hosts a five-tiered subscription model with a free option. Buffer is a point solution platform, meaning the software focuses on one point of your social media presence — content publishing and scheduling. Food businesses only focused on publishing and scheduling content may find this platform efficient rather than an all-in-one social media management tool like Hootsuite and Sprout Social.

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Online Marketing Best Practices

Managing a successful social media campaign does not need to be complex or particularly difficult. Below are a number of best practice considerations:

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- Start small. Both from an investment of time and money, it's best to pick a single channel, invest your resources and grow from there.
- Do less but do it well. Many companies have a temptation to appear on as many social channels as possible. It's more efficient and effective to pick one or two right channels and focus on doing them well.
- Adopt a "test and learn" mentality to your campaigns. Many channels are similar, but all are evolving rapidly. Explore what works and build upon past success.
- Engage your channels on a regular basis. It's better to be active even if the content isn't perfect. Social media has a degree of imperfection at its core. Don't overthink content at the expense of being active. To create regularity, devote a small period of time each day to engage rather than a large block weeks apart.
- Not only is it important to engage regularly, but strive for consistent content. Both from a visual perspective, but also in tone of voice and focus. It will help curate a voice for your brand.
- Engage genuinely. Be proactive with users, engage in conversations, apologize if something goes wrong and celebrate when things go well.
- Cross promote. If you've made the decision to be on multiple online channels, use channels to drive to deeper content. For example, a twitter post that points to Facebook content or YouTube video series. Think about how your website, search and social channels can interact with one another.



Engaging in the social and microblogging platforms above can occur in a very organic manner, with the food business creating and sharing its own content to its own pages or feeds. And, they can take the next logical step of amplifying their voice through paid promotion of those posts to potential consumers. However, the real power of these platforms is often when content is exponentially amplified through the voice of a social media influencer. An influencer is simply someone with a reputation and authority on a given subject. Many are familiar with celebrity influencers that have a significant impact on fashion or other lifestyle trends. However, there are influencers that are lesser known to the general public that may have tremendous influence on a smaller segment of the population. For example, a renowned chef with a blog may influence the product or dietary choices of their followers; or a physical fitness trainer may point their followers to various clothing or food in addition to following their workout advice.

The days of gaining the support of influencers for free has passed. If a person on the channel understands the value of their position and expertise, they will no doubt charge for their voice. That said, the cost does not necessarily need to be thousands of dollars. If you're interested in gaining the support of an influencer, reach out to them via a private message. This should start a negotiation either with them or possibly an agency they may use to manage their content relationships. Do not post your request on their public feed. One way to increase your odds of securing their support is to engage with their content by following and sharing their posts. This will be visible to them and may make starting a conversation about paid support easier.

Resources:

For more best practices, visit:

- [Hootsuite Blog: Social Media Best Practices](#)
- [Khoros: Social Media Best Practices](#)
- [JUST Creative: Influencer Strategy](#)
- [Influencer Marketing Hub](#)

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Getting Started

In addition to promoting their brand online, many food companies want to engage in e-commerce, the selling of their products through online channels. Two primary options exist for selling online including through the company's own website or a third-party online retailer (otherwise known as a marketplace). And, within each of these approaches a number of considerations impact how a food business should go to market. For example, if you're selling on your own website, will you use an off-the-shelf shopping cart program or create your own? And, if you're selling through a third-party marketplace site, how will you get your product to the customer?



Online Storefront on Your Website

One of the most common ways for businesses to sell their product online is directly through a store front and shopping cart on their own website. In this approach, a food business lists its products, highlights product benefits and sells directly to customers or consumers. If your website is built on a DIY web hosting platform like wix.com or web.com, you can select from several prebuilt storefront apps that interface seamlessly within their structure. If your website is custom built, you can install a similar shopping cart program or build your own.

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There are a number of critical considerations in building and maintaining your own storefront including:



PRODUCT ASSORTMENT:

Will you offer your full product line up or only a limited set of products?



QUANTITY REQUIREMENTS:

Setting a minimum purchase amount, based on number of items or a dollar amount, may help ensure online sales are a profitable exercise.



PRICING:

While online sales may enable you to offer customers a lower price than they could find in stores, doing so may offend your retail customers. Consider the risk involved in undercutting these partners. One solution is to offer bundles or sizes not offered at retail to make direct comparisons less likely.



INFORMED DECISIONS:

Think about what information you provide to help customers make a purchase. This might include product description, flavor information, product size, price, benefits, use recommendations, etc.



ENABLING TRANSACTIONS:

To accept credit or debit card payments, your business will need to obtain a merchant account through a credit card processor. The processing company works seamlessly to charge the customer's credit card at the time of order and deliver payment to your bank account. While many of the storefront apps in DIY site builders like wix.com offer merchant accounts, many have higher fees than if you would find an account outside of their system.



DELIVERING THE PRODUCT:

Depending on temperature state or product fragility, this can be a challenging issue to manage. Not only must you consider how you will package and ship the product, but you must also consider who will manage the actual physical work of the fulfillment process. Additionally, consider where the inventory for the storefront is being sourced and how that impacts your total inventory management.

Note that before you engage in any e-commerce strategy, you must make sure that you are properly licensed to do so. For instance, in Minnesota, if you are registered as a cottage foods producer, you are allowed to take orders of your product via e-commerce, but you must deliver the product to the purchaser in person. In other words, you cannot ship the product, even inside state lines. For more details and to get your questions answered, a good resource includes the [Minnesota Department of Ag's Food and Feed Safety Division](#). If you are a registered cottage foods producer, you can learn more here: [Cottage Food Law Guidance | Minnesota Department of Agriculture](#) or here: [Minnesota Farmers' Market Association – Cottage Foods Law](#).



Selling through a Third-Party Retailer or Platform

In addition to selling on the business' own website, selling products through a third-party retailer such as amazon.com or shopify.com is a very common path to e-commerce; and the two do not need to be an "either or" choice. Selling through Third-Party retailers has the advantage of reaching additional customers that may not otherwise have exposure to a brand's products, either due to lack of distribution in physical stores, geographic limitations or limited traffic to the brand's own website. However, it also creates additional costs as the online retailer charges for its online space similar to a grocery store. It can also invite increased competition from comparable products.

A number of the same considerations hold for selling through a third-party retailer as do for selling directly through your own website, though there are significant differences. With a third-party retailer, there may be limitations in how many products you can offer or how you can describe and promote your product offering. And you won't need a merchant account as the retailer accepts the payment and transfers money to your business through an ACH transaction. But the logistics of this solution can be more complex as you may need to determine if you or the retailer is performing fulfillment of product for individual orders.

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Third-Party Online Retailers

Third-Party online retailers fall largely into two types of businesses:

First, marketplaces act as a "shopping mall" of sorts in which individual users can sell products, whether through a single listing or a storefront. Online auction sites generally follow the marketplace model, though employing a bid vs flat pricing model.

Second, are online retailers that act similar to brick-and-mortar stores, selecting and selling products. These retailers often serve a specific product category, market niche or geography.

Online Marketplaces

Amazon: As an e-commerce pioneer, Amazon is ubiquitous in its reach and product assortment, which may be both a blessing and a challenge for food businesses. It can provide access to a vast number of customers but accessing them comes with higher costs and can result in high levels of competition, often focused on price.

To sell on this platform, a food business needs to create a Seller Central account from which it manages its Amazon business including adding products and product information, tracking daily sales and other business metrics, making inventory updates and managing payments. To establish the account, a business needs a few key pieces of information they'd likely have for offline work including a bank account and routing number, a chargeable credit card, a government issued national ID, a tax ID and a business phone number.

Amazon has a number of fees to participate on their platform including both fixed monthly account fees and variable fees tied to transactions. The variable fees, known as Category Referral Fees, are a percentage of the total price including shipping and any extra service charges like gift wrapping. For grocery, the CRF are currently 8% or 15% depending on the sales value.

In return, this option provides an opportunity to promote your products in order to move them higher in product rankings and making it more likely your products will appear in users' searches. Sponsored items appear near the top of the search feed and brands where the sponsoring brand appears near the top of the page with multiple products highlighted. In addition to listing and promoting individual items, a food business can also create a storefront on Amazon. This is a multi-page subsite within the site where a business lists all of its items and carries more opportunity for branding than available to items listed singularly.



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Once an order is taken, it must be fulfilled — packaged and sent to the buyer. Fulfilling orders on Amazon occurs in one of two ways. Fulfilled by Merchant (FBM) and Fulfilled by Amazon (FBA). In FBM, the food business accepts the order through Amazon and manage all aspects of shipping the product outside the Amazon logistics system. In this case, Amazon never touches the physical inventory. In FBA, the food business ships a quantity of inventory to a warehouse from which Amazon fulfills orders that come through the system. Rather than managing individual transactions and inventory, the food business needs to only ensure that the Amazon warehouse has adequate stock, similar to how they would with a brick-and-mortar wholesaler or retailer. FBA allows products to participate in Amazon Prime. However, the program comes with several fees including for inventory storage, order fulfillment, managing returns, fees for resolving items not received by Amazon in a format that makes it easy for them to fulfill to the customer and disposal fees for unsold product.

Note, refrigerated and frozen products are not allowed within the FBA structure. Also, perishable items such as fruit, vegetables or meats may be prohibited at certain times of year due to temperatures expected in the FBA warehouse system.

It's important for a food business to consider the tradeoffs of the two approaches. There is certainly a value to the pick, pack and ship offered by FBA in terms of ease and ability to participate in Prime. However, if the business' product sales are low or the business can ship inexpensively themselves then FBM may be preferred.



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You should use Fulfilled by Merchant if...

- You want more control over your customers.
- You have excellent customer service practices in place.
- The products you sell are oversized or heavy.
- You already have logistics in place.
- You're able to mitigate the expenses involved in fulfilling your own products.
- Your inventory turns over slowly.

You should use Fulfilled by Amazon if...

- The products you sell are small and lightweight.
- You're okay surrendering control of your customers to Amazon.
- You want Amazon to handle your customer service.
- Your inventory turns over quickly.
- You do not have logistics in place.
- Your expenses would be higher if you fulfilled your own products.



Other Marketplaces from Leading Brick-and-Mortar Retailers

Similar to Amazon, leading brick and mortar retailers have created their own marketplaces, including [Walmart Marketplace](#), [Target](#) and [Albertsons Marketplace](#). All operate on similar models to Amazon, featuring a vast product portfolio, in fact, carrying an assortment well beyond what they sell in their stores. It's also worth noting the behind-the-scenes operations of these marketplaces are distinct from the store websites that offer online sale of the products carried in store. Notably, selling through a marketplace does not necessarily create a path to selling in their physical stores. Exploring other brick and mortar retailers that have created similar marketplaces is a potential path to expanding geographic distribution for food brands. [UNFI](#), the leading wholesale distributor, also recently launched an online marketplace that is open to retailers and non-profits, but not to consumers.

Rangeme

[Rangeme.com](#) is a unique marketplace that allows manufacturers to present their products to leading national and regional retailers. The manufacturer creates a product page that highlights much of the same information that might typically go into a sales presentation (brand story, product assortment, suggested price, promotions, etc). Buyers are able to search and view the listings as they search for new items to add to their assortment. While there is no actual commerce that takes place on the site, manufacturers can leverage a premium membership to submit their products directly to retailers for review.

eBay

Sitting somewhere between Amazon and Facebook Marketplace, eBay also offers a viable platform for food companies to sell online. While originally an auction site, eBay sellers can offer single items or offer multiple products in its portfolio and do so at fixed prices. While the system does not allow for storefronts, users can easily search for all listings from a given company. eBay provides for electronic payment, though shipment occurs through a fulfilled by merchant model.

Etsy

With a focus on handmade, artisan goods, Etsy offers a unique opportunity for cottage or artisan food brands. Similar to other marketplaces, food companies can create a product offering and sell product directly to consumers through the platform. Distribution is arranged directly between buyer and seller in a fulfilled by merchant model. It's worth noting the presence of food items is relatively small on Etsy, though it may represent a good opportunity for gourmet or artisanal brands consistent with the hard and soft goods typically offered on the site.

Facebook Marketplace

Despite the ubiquity of Facebook as a social media site, its marketplace is limited in its food offerings. Facebook Marketplace is largely driven by a rummage sale model for selling used goods. As such, food offerings are limited. A food company could use the platform to access local buyers and take payment or linking them to a website for the actual purchase. In either case delivery would be coordinated directly with the buyer.

Category-Specific Retailers

Webstaurantstore.com

For those targeting the food service segment, [Webstaurantstore.com](#) brings the offerings of a broad line food service distributor online. This site is truly an online retailer vs a marketplace meaning they control their assortment. Further, they inventory and fulfill most items offered on their site.

Foodservicedirect.com

[Foodservicedirect.com](#) bills itself as a marketplace offering foodservice items under both fulfillment models. It will stock fast-turning items and let slower turning items be shipped in a fulfilled by merchant model.

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Not surprisingly, other platforms exist including some focused on specialty markets such as bakersauthority.com and bulkapothecary.com which both focus on the ingredients market. Food businesses with a unique customer base are encouraged to search for marketplaces that serve their specific niche.



Local/Regional Online Commerce Opportunities

Outside of selling on one of the large online marketplaces or through your own website, a number of unique e-commerce opportunities for small food businesses exist. Many of these could be categorized as category-specific online retailers, though many of their models are somewhat unique.

Barn2Door.com

Barn2Door is an online storefront for farmers to sell products directly to consumers or restaurants. The service operates on a monthly fee schedule based on transactions and provides an interface that can be embedded and linked to your website.

Harvie.com

Harvie is a customized crop share platform that allows farmers and consumers to connect through a traditional farm share model, but with the added value of allowing consumers to customize their purchase — both in volume and types of products. The platform offers packaging and logistics consultation to make delivery easier for producers.

Food4All.com

Food4All is an online storefront for farmers to sell products directly to consumers and restaurant customers. It provides a basic interface to list products and maintain inventory. While there is no monthly subscription fee, the seller will pay a small per item and royalty fee.

GoForager.com

Forager is a marketplace concept intended to connect local farmers to buyers. Rather than just a retailer, Forager allows sellers to also search buyers and their staff will make connections between buyers and sellers (though they do not act as a middle man).

GrazeCart.com

GrazeCart is a web platform and shopping cart for farmers and other sellers of perishable products. The interface allows for both unit and weight-based transactions as well as setting customer pick up locations or selling via shipment.

OpenFoodNetwork.net

Open Food Network provides both an online marketplace as well as open-source shopping cart software for food companies and growers. The company is global in nature but has local networks throughout the country.

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Shopping Cart Systems

Unless you're selling through an online merchant or retailer, conducting e-commerce requires a storefront and a shopping cart system. While most DIY web builders offer multiple shopping carts, there are two platforms worth highlighting.

Shopify is a hosted e-commerce website builder that allows businesses to create an online storefront from several customizable templates. Whereas a service like web.com or wix.com offers a DIY solution for creating a content-driven website, Shopify offers a similar approach for those businesses looking for an e-commerce approach. The platform is global in nature with more than 800,000 businesses worldwide, many of them small and medium sized companies.

Various pricing tiers are available with higher priced tiers offering additional reporting, lower credit card processing fees, discounted shipping and integration options. While the platform offers credit card processing services, companies are free to use an outside system. The platform also offers the ability to be used as a brick-and-mortar point-of-sale system.

Shopify provides for integration into multiple online environments, including social media channels like Pinterest, Facebook and Instagram, as well as other retail platforms like eBay, Amazon or Walmart Marketplace. If you already have an existing website for your company, Shopify can integrate into your site.

While Shopify provides the ordering platform, discounted shipping rates with preferred vendors and can coordinate inventory levels between multiple online channels, it does not offer fulfillment services. The individual company is responsible for the actual physical inventory and for coordinating the shipment of goods to customers either through Shopify's preferred vendors or through a separate service.

Shopify offers a few different marketing and promotion options, like audience targeting (built in blog and Search Engine Optimization), campaign creation (promoting products through email marketing, Google Smart Shopping & Facebook Ads), marketing automation (marketing apps for download to boost awareness, drive sales, and email customers), and analytical tracking and performance metrics accumulated across all channels and campaigns.

WooCommerce is a free, open-source shopping cart plug-in on the WordPress platform. It's notable for its ubiquity as it powers nearly 30% of all online storefronts. Many of its features are similar to Shopify in that it provides a storefront, shopping cart, payment management, label printing, preferred shipping partners and the ability to support online marketing.

While WooCommerce is a plug-in, a food business without an existing website can begin developing its e-commerce efforts directly through WooCommerce. In essence, the program simultaneously helps the user create a WooCommerce storefront on a WordPress site.

As a free plug-in, there are no costs tied directly to WooCommerce. However, the food business will still need to pay domain hosting fees for its WordPress site and for its credit card processing.



Shopping Cart Considerations

In addition to Shopify and WooCommerce, sites like BigCommerce and 3dCart are routinely cited as leading platforms for small business. Whichever platform a food business chooses to use, it should consider a number of key issues:



- Does the program offer an e-commerce site or just a shopping cart?
- Will it integrate with social platforms or the company's website to make selling on multiple platforms easier?
- What are the design capabilities or limitations?
- How are payments processed? Does it have a dedicated merchant account provider, or can the food business use one of its choosing?
- What are the costs? Look for monthly fees and per transaction fees.

Other Online Resources

- **Frank & Ernest:** Frank & Ernest is a Minnesota-based online farmers market where growers and small food companies can sell their product. They operate on an online order and pickup model.
- **NearestYou.com:** NearestYou is a digital mapping and brand marketing platform. Primarily it provides a product locator tool that integrates into a food company website, but can also be leveraged for tastings and event maps, and trade association member directories.
- **CSAware.com:** CSAware.com is a software platform specifically designed to manage ordering, membership, delivery scheduling and payment for CSAs.
- **Minnesotacooks.org:** A program of Minnesota Farmers Union, Minnesota Cooks provides a database of Minnesota artisan and farm products in two different formats. The site does not execute commerce but redirects users to company websites.
- **Minnesota Grown:** A long-standing program, Minnesota Grown offers a website that redirects users to other company websites including CSAs, farmers markets and individual companies.

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Third-Party Logistics Considerations

Regardless of the platform you choose, selling your product online is only part of the challenge. Similar to brick-and-mortar, creating and managing your distribution model is a critical piece of the business. In the offline world, food businesses may make deliveries directly to customers or deliver larger quantities to wholesalers. The online world can be a bit more complex and offers additional options. There are multiple touchpoints, and your business may use any combination of them.

Typical Brick and Mortar Distribution Model



In a traditional distribution model, the sale and product follow a linear path with each point in the chain ordering or purchasing and taking physical possession of a product.

Online Distribution Model



In the e-commerce world, product is positioned at a warehouse ready for purchase, but doesn't typically move until a consumer visits a website and makes a purchase. At that point, the order is transmitted to the warehouse and fulfillment of the order begins. This warehouse could be owned by the manufacturer, an online retailer or third-party logistics company contracted by the manufacturer.

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Generally, three primary models exist for fulfillment of e-commerce orders: fulfillment by the retailer, self-fulfillment and third-party fulfillment.

Fulfillment by Retailer:

In this model, the retailer is fully in control similar to how a brick-and-mortar retailer would operate. It takes the order from the consumer and fulfills it from the inventory it holds in a process largely transparent to the manufacturer. The food manufacturer provides case or pallet quantities to the online retailer's warehouse in a sale or consignment model. Fulfilled by Amazon is a common example of this model.

Self-Fulfillment:

In a self-fulfillment model, the manufacturer ships or delivers product directly to its customers. This may feature delivery by company employees or may leverage shipping resources like UPS, FedEx, USPS or even couriers. In this model, the manufacturer is responsible for storing product, picking orders, preparing for shipment and either delivering the product or getting shipment to the delivery service.



Items to consider are:

- Delivery can be an efficient and cost-effective option for small businesses and ones with local clientele.
- Consider your products temperature state — shipping through mail services require shipping on dry ice, driving increased packaging costs, both the packaging and the labor to assemble.
- Consider when time spent assembling, packaging and shipping products through self-fulfillment would be better spent doing other tasks that grow your business.
- Shipping cost on a per-piece can be high. Consider purchase minimums to offset.
- Larger volumes may dictate a move from a mail or courier service to a common carrier that can handle palletized product.

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Third-party Fulfillment:

In third-party fulfillment, the food company relies on another company for fulfillment of its orders to the customer. This may include a warehouse or wholesaler shipping product to retailers or may be a retailer shipping product directly to consumers. In this model, the food manufacturer commonly ships multiple case or pallet quantities to the fulfillment provider who subsequently ships smaller volumes to customers further along the value chain.



Items to consider are:

- Confirm ability to manage temperature state, volume or fragility of your product.
- Need to manage total inventory to the fulfillment company; they will manage in front of consumers.
- Typically, a cost-efficient approach that allows a food company to focus on other activities.
- Additional layer of distribution may lengthen time in the logistics chain, reducing shelf life available to customer or consumer.
- Will pay for storage and shipping services.

A look at Amazon's Models

Amazon provides two different distribution/fulfillment models: Fulfilled by Merchant (FBM) and Fulfilled by Amazon (FBA). These two models are examples of self-fulfillment and third-party fulfillment and are replicated to some degree by other online shopping environments.

Fulfilled by Amazon: In Fulfilled by Amazon, the food company lists its product for sale on Amazon, either as a single item, a company page or storefront. When someone orders a product, Amazon accepts the order and fulfills it from inventory in its warehouse/under its control. In this model, the food company ships multi-case or pallet quantities to an Amazon warehouse. Amazon manages the inventory available on its site and provides prompt delivery. Items to consider include:

- Food company needs to ensure Amazon has inventory.
- Can provide path to free shipping as products can be bundled with items from other companies.
- Does not handle refrigerated or frozen products.
- Amazon charges fees for storage of product and handling of fulfillment in addition to its normal commission.

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Fulfilled by Merchant: In a Fulfilled by Merchant model, the food company appears nearly identical to shoppers on the Amazon website. The only difference being a small notation from who the product is sold and fulfilled. However, when a customer purchases a product, the order is sent directly to the food company who is then responsible for fulfilling the order from inventory at a location of the food company's control. Items to consider are:

- Company must balance Amazon inventory among others and address any out of stocks rapidly.
- Allows for distribution of refrigerated or frozen products.
- May challenge free shipping opportunities.
- May be lower cost approach depending on company storage and shipping cost structure.

Third-Party Logistics Alternatives

A wide array of third-party logistics options too extensive to list here exist for Minnesota food businesses. Food businesses can conduct an online search using terms like "3PL", "Third-Party logistics" or "pick and pack services" to find suitable alternatives. In many cases, these service providers are warehouses that offer pick and pack fulfillment services to their clients. They may be an individual warehouse or part of a large national network like PDM or Americold Logistics. The manufacturer will send goods in pallet or case quantities for the warehouse to send out in unit quantities.

Highlighting Two Unique Solutions

Cygnus is a 3PL system owned by Minnesota food company Schwan's. This service offers frozen food businesses a turnkey logistics system. Upon establishing an account, the food business sends inventory to Cygnus who in turn distributes among its 10 nationwide distribution centers. Once an order is received, Cygnus fulfills the order—picking, packing and shipping to the customer. The service seamlessly integrates with the food business' online sales platform so the interaction between customer order and shipment is seamless.

ShipBob is a shipping and fulfillment service targeted directly to helping e-commerce stores. Similar to most 3PLs, ShipBob stores manufacturer inventory at one of its warehouses and then picks and packs customer orders transferred to them from online sites. Rather than coming from a warehousing approach, ShipBob is a technology company that offers integration with leading online retail platforms to make sales and shipping more seamless.

AURI is dedicated to helping small food businesses and entrepreneurs grow. We encourage you to check out our series of helpful guides on topics including pricing, packaging, shelf life testing and more at www.auri.org/guides/focus/food/

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ACH:

An automated clearing house (ACH) is a computer-based electronic network for processing transactions. It may support both credit transfers and direct debits.

E-COMMERCE:

E-commerce is the activity of electronically buying or selling of products on online services or over the internet.

HASHTAG:

Hashtag (on social media sites such as Twitter) is a word or phrase preceded by a hash or pound sign (#) and used to identify messages on a specific topic.

INFLUENCER:

An influencer is a user on social media who has established credibility in a specific industry. A social media influencer has access to a large audience and can persuade others by virtue of their authenticity and reach.

Third-Party LOGISTICS (3PL):

A logistics company that provides services via contract to multiple manufacturers. Services may include warehousing as well as pick, pack and ship. In some cases, some 3PLs also offer consolidation of goods and packaging services.

DOMAIN NAME:

Commonly referred to as a web address, a domain name is an identification string that defines a realm of administrative autonomy, authority or control within the internet.

GEOTAG:

Geotag is an electronic tag that assigns a geographical location to a photograph or video, a posting on a social media website, etc.

HOSTING PLATFORM:

A business that provides the technologies and services needed for the website or webpage to be viewable on the internet. Websites are hosted, or stored, on special computers called servers.

SHOPPING CART:

An electronic shopping cart is a software resource that functions as an interface for users that buy items from a business online. E-commerce websites use electronic shopping carts to facilitate purchasing by web users.

USER EXPERIENCE (UX):

The sum of emotional and cognitive interactions that a consumer has with a product or service, and in this case its website.

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USER INTERFACE (UI):

The way in which the user interacts with the website. This might include whether your consumers are likely to access your site on a desktop vs mobile device; or whether or not a shopping cart or search function is included front and center.

WIREFRAME:

A page schematic is a visual guide that provides the skeletal framework of a website. Wireframes are created for the purpose of arranging elements of the webpage.

“WYSIWYG”:

“What You See Is What You Get.” A simplified approach built into website design tools that allow users to make changes to elements visually, rather than having to write code.

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