The State of New Media Marketing in the Green Industry

Implications for Small, Rural Businesses

What Are We Doing Today?

1. Introduce who we are
2. Present our most recent research
3. What this means for your rural, small business

The Center for Rural Enterprise Engagement

Research
Conduct research related to online marketing for rural agricultural enterprises.

&

Translating and sharing research-based information to help entrepreneurs become more profitable in this digital age.

The Center for Rural Enterprise Engagement is a team of Extension specialists, researchers, educators, and small business owners.

- SCOTT STEBNER, Managing Director
- DR. CHERYL BOYER, Extension Specialist
- DR. HIKARU PETERSON, Agricultural Economics
- DR. LAURI M. BAKER, Agricultural Communication
- SCOTT STEBNER, Managing Director
U.S. Horticultural Industry Participants

Who are they?

- 2014 U.S. Horticulture Census
  National Sales: $13.8 Billion

- Business Owners
  More than half are family or individually owned

- Sales
  Corporations account for more than ¾ of sales

- Industry Associations
  States, Regions, National

Survey Respondents

N = 192

- All 12 USDA NASS regions
- 41% from Northern Plains
- 20% from communities with less than 2,500 people

Annual gross sales

- Median $750K
- N = 161

- Less than $25K
- $25K - $50K
- $50K - $100K
- $100K - $250K
- $250K - $500K
- $500K - $1M
- $1M - $5M
- $5M or more

Marketing channels

- Average allocations of 2014 sales

- Retail: 69.6%
- Other garden centers: 5.4%
- Landscapers: 12.0%
- Mass merchandisers: 0.3%
- Wholesalers: 2.1%
## Marketing efforts

### Annual expense

<table>
<thead>
<tr>
<th></th>
<th>&lt;$250 K</th>
<th>$250K+</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average</strong></td>
<td>$2,844</td>
<td>$75,665</td>
<td>$53,050</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>875</td>
<td>25,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td>$25,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

### Weekly hours allocated

<table>
<thead>
<tr>
<th></th>
<th>&lt;$250 K</th>
<th>$250K+</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average</strong></td>
<td>4</td>
<td>18</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>2</td>
<td>5</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td>20.5</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

## Online Platform Accounts

### Currently using

<table>
<thead>
<tr>
<th></th>
<th>&lt;$250 K (n = 50)</th>
<th>$250K+ (n = 111)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>90.7%</td>
<td>91.7%</td>
</tr>
<tr>
<td>Blogs</td>
<td>58.1%</td>
<td>23.3%</td>
</tr>
<tr>
<td>HTML newsletters</td>
<td>55.8%</td>
<td>79.1%</td>
</tr>
<tr>
<td>Websites</td>
<td>69.8%</td>
<td>86.1%</td>
</tr>
</tbody>
</table>

### Never signed up

<table>
<thead>
<tr>
<th></th>
<th>&lt;$250 K (n = 50)</th>
<th>$250K+ (n = 111)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>4.7%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Blogs</td>
<td>38.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>HTML newsletters</td>
<td>38.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Websites</td>
<td>23.3%</td>
<td>53.7%</td>
</tr>
</tbody>
</table>

## Use of Online Platforms

<table>
<thead>
<tr>
<th></th>
<th>&lt;$250 K (n = 43)</th>
<th>$250K+ (n = 108)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blogs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HTML newsletters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Websites</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reasons why not using social media marketing

<table>
<thead>
<tr>
<th>Reason</th>
<th>Average Score (n=17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would prefer face-to-face interactions with my customers.</td>
<td>4.06</td>
</tr>
<tr>
<td>I don't have time.</td>
<td>3.47</td>
</tr>
<tr>
<td>Returns from social media marketing are low</td>
<td>3.33</td>
</tr>
<tr>
<td>Returns from social media marketing are uncertain</td>
<td>3.29</td>
</tr>
<tr>
<td>My customers don't think it's important</td>
<td>3.24</td>
</tr>
<tr>
<td>It is a costly investment.</td>
<td>2.88</td>
</tr>
<tr>
<td>I don't think it's important.</td>
<td>2.88</td>
</tr>
<tr>
<td>Technology changes so quickly that I can't keep up with it.</td>
<td>2.76</td>
</tr>
<tr>
<td>I don't know how to get started.</td>
<td>2.65</td>
</tr>
</tbody>
</table>

1 = strongly disagree, 2 = disagree, 3 = neither agree or disagree, 4 = agree, 5 = strongly agree
You may have similar concerns as a small, rural business

- Find out what your audience needs and wants
- Relationship marketing: Makes you different than big business
- Work smarter, not harder

How to categorize: Your audience

Rural
- Smaller network of friends
- Less "trusting" with privacy settings.
- Use primarily Facebook, but Pinterest and Instagram are rising.

Urban
- Larger network of friends
- Users are more open to strangers and sharing information
- More diverse social media use
- Instagram, Pinterest, and Twitter are used more frequently than rural users.

YOU HAVE TO UNDERSTAND YOUR UNIQUE AUDIENCE TO TRULY IDENTIFY WHAT SOCIAL MEDIA PLATFORMS TO USE.

Tracking: Your audience

- What platforms? Directly ask your audience.
- What times? What Content?

Your audience is different than anyone else's. Find out what they need and want.

Google Trends

- Id relevant keywords
- Isolate periods and future trends
- Look at specific differences by geographic region
THANK YOU

CONTINUE LEARNING
www.ruralengagement.org

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785-532-1173

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THANK YOU

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