5 THINGS FARMERS ARE DOING TO

RECURRING SALES









→ INTRODUCTION →

Today, Subscriptions are the norm. Americans have, on average, 9+ paid Subscriptions for various products and services: streaming (Netflix), music (Spotify), home monitoring (Nest), and home office software (Office 365). With the rise of eCommerce, people are expecting access to products anytime, anywhere online. Since 94% of Americans prefer to shop from local businesses, the ability to conveniently buy local Farm products is undergoing a digital transformation to satiate buyer demand.

Arguably, farming has been at the forefront of business transformation, especially when it comes to the concept of Subscriptions. While 99% of Americans have never heard of a CSA, the idea of Community Supported Agriculture (CSA) is essentially a Subscription - buyers commit to purchase food from a Farmer over a period of time (typically, for a given season). While the mechanics of a traditional CSA are often misunderstood by the typical buyer, Farm Subscriptions delight buyers, meeting their expectations of convenience, and offering buyers certainty (notwithstanding food security and inflationary concerns).

This eBook sets forth the steps for any Farm to build a healthy, recurring Subscription model for their business. Analyzing millions of pageviews across 1000's of Farm businesses every day, we're sharing how successful Farms set up their Subscription programs to delight buyers and drive up to 80% monthly recurring revenue. Farmers can use this eBook as a guide to streamline operations, align efforts with harvest or processing schedules, better organize pick-and-pack teams, and ultimately save your Farm time and money.



DETERMINE YOUR SUBSCRIPTION OFFERS

Of all the sales volume on the Barn2Door platform, more than 40% are Subscriptions during peak season. That's why the most important aspect of starting a successful Subscription program is keeping your Subscription offers and schedules simple for buyers. It can be easy to overcomplicate or confuse buyers with a multitude of options (which should be avoided at all costs!). Ideally, the length of your Subscription, the cadence, fulfillments, and payment options should be consistent and easy to understand (without explanation). Why? Because when someone subscribes to your Farm products, they expect to place an order once and

receive your Farm products on a weekly, bi-weekly, or monthly basis.

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Start by determining what type of Subscription works best with your products. Different products have different growing and harvest periods. Some are available year-round (i.e., dairy, poultry), while others may only be available during certain seasons of the year (i.e., fruit, vegetables). Here are three Subscription types that your Farm can offer with Barn2Door:



SEASONAL SUBSCRIPTIONS:

These Subscriptions should align with a specific harvest season or growing times. Arrange the term to set for a specific amount of weeks or months (typically 3-24 weeks or 1-4 months). Common examples of Seasonal Subscriptions include Produce CSAs, Flowers, and Fish & Shellfish Subscriptions.

ROLLING SUBSCRIPTIONS:

Recurring regularly, there's no specific term associated with Rolling Subscriptions.

Perfect for a herd share or multiple seasons of

a Produce CSA, these occur on a set rolling period (typically 3, 6, 9, or 12 months). Common examples of Rolling Subscriptions include a 3-month Produce CSA (starting anytime a Buyer signs up in the Spring) or a 6-month Herdshare (for Beef, Poultry, or Dairy).

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Ensuring that your
Subscriptions are easy to
purchase and "convenient"
to access will be the tipping
point to success for your
Farm business.

ONGOING SUBSCRIPTIONS:

For products that are available year-round,
Ongoing Subscriptions are perfect for
products that are always in demand and
available on a consistent schedule (weekly or

monthly). Common examples of Ongoing Subscriptions include Dairy, Eggs, Poultry, Pork, and Beef. If you Farm in a region with year-round sun, maintain high-tunnels, or are a freight-farm, then Ongoing Subscriptions for Produce is also a great option.



While Farms can offer a mix of the different Subscription types, it's important to keep it simple and provide clear descriptions outlining the terms and conditions to your customers. When buyers love your Farm products, they will want to lock-in consistent access to their favorite staples. Ensuring that your Subscriptions are easy to purchase and "convenient" to access will be the tipping point to success for your Farm business.





[Unlike other eCommerce software,]
Barn2Door tracks our retail sales and
manages our CSA Subscriptions. We can
generate a pick-and-pack list by location
with the click of a button, log in and see
all subscriptions we've accumulated. All
of these things, I now take for granted.

- Produce Farmer, CA



READ: 3 Farm Success Stories with Subscriptions



LISTEN: Soilless Systems and Subscriptions with Local Appetite Growers



PACKAGE YOUR SUBSCRIPTIONS FOR SUCCESS

A Farm Subscription is intended to save your buyers the hassle of making repeated one-time-purchases while securing recurring Orders for your Farm and reducing your marketing costs. When considering a family's grocery list or a restaurateur's standing requests, you'll find that 90% of the purchases are the same week-over-week. As a result, packaging your Farm Products to cater to the demand of your target buyers is important to increase conversion.

Farms have the ability to make any product a Subscription, giving Farmers the ability to meet a wide range of buyers' needs. However, it's important to keep your inventory streamlined and simple (less than 50 products in their inventory), making it easy for buyers to make a purchase decision.

Here are how the most successful Farms package their Subscriptions to drive more orders and offer convenient access to products:

STAPLE PRODUCT SUBSCRIPTIONS:

These are Subscriptions to Farm products that are buyer staples utilized on an ongoing basis. For example, proteins, produce, and dairy are consumed daily. Additionally, many buyers regularly purchase bread, honey, syrups, soap, and fiber, too. These would fit



among the "Ongoing Subscriptions" category - giving customers access to products they use regularly without an upcoming end date.

ALIGN PACKAGE OPTIONS TO HOUSEHOLD SIZES:

1/3 of Americans live alone, 1/3 live with 2 people, and 1/3 live with 4+ people. Therefore it's necessary to have purchase options that meet a wide range of buyer needs. For Bundle Boxes, offer small, medium, and large boxes that cater to each household size. Individual Subscriptions should also have different sizes (i.e., 1/2 gallon, 1 gallon, or 2 gallons of milk). The more you're able to streamline offerings to cater to different buyers' needs, the more likely customers will purchase an option that fits what they need.

BUNDLE BOXES:

The data is clear that Bundle Boxes drive the highest conversion rates for Subscriptions versus individual Specialty Products. Typically Farms offer between 3-7 Bundle Boxes to simplify their inventory. One tactic is to only offer high-demand specialty products in Bundle Box formats (i.e., Huckleberries,

Bacon, Filet Mignon). The goal of a Bundle Box is to move more of your Farm products and drive larger average order sizes (while simplifying your inventory, too!).

FARM RECOMMENDED BUNDLES:

As you're thinking about packaging multiple items together for your Bundles, consider how your Farmer Recommended Bundles



Up to 90% of customers will opt-in to Farm-recommended Bundle Boxes, available as a one-time purchase or as a subscription



can be an experience for buyers. Boxes should be built to appeal to suit customers' needs and experiences. A seasonal experience (e.g., "Summer BBQ Box"), theme (e.g., "Crossfit Power Box"), or an emotional appeal (e.g., "Game Day Box") will often drive a higher conversion rate. In addition to eliciting a response from your customers, bundles will increase your revenue and make it more convenient for buyers to access more products with a single purchase.

Of note, up to ninety (90%) of customers will opt-in to Farm-recommended Bundle Boxes, available as a one-time purchase or as a subscription. Allowing buyers to customize bundle boxes can get out of hand, costs more money, takes more time to assemble, and creates more headaches in the fulfillment process (delivery or pickup).

When you package your products for success and entice customers to purchase from your Farm, you're more likely to delight buyers and drive Farm revenue. Simple inventory layout and streamlined packaging are essential to appealing to a wider range of customers. The key to increasing your Farm Subscriptions is to keep it simple. Offer Bundle Boxes, limit the ability to allow for customizations, and cater to household sizes to delight many buyers.



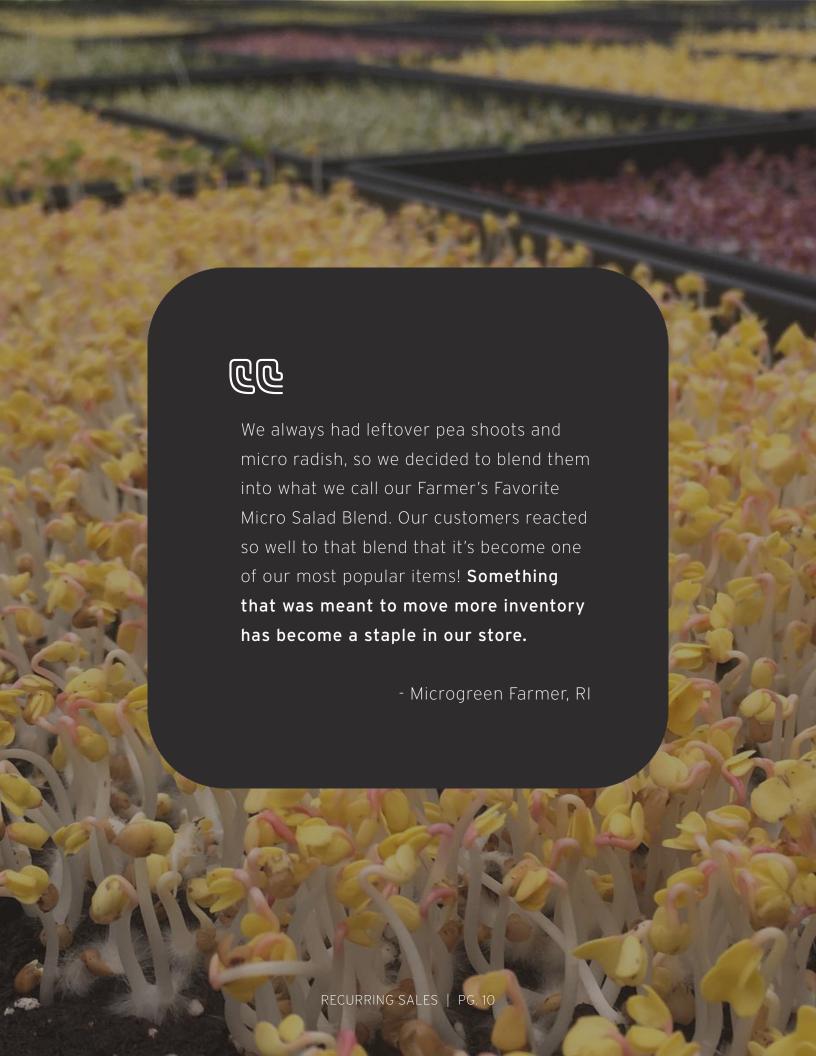
READ: How to Package Your Farm Subscriptions and Bundle Boxes



READ: How Value-Added Products Can Increase Average Order Value



WATCH: Building Brand Loyalty with Subscriptions





OFFER CONVENIENT FULFILLMENT ALTERNATIVES

Buyers expect convenience. In fact, 2 out of 3 Americans have now purchased groceries online as more buyers search the Internet for local Food options delivered to their doorstep. This is great news, enabling Farmers to successfully and profitably offer Subscriptions for Direct Delivery. To become a 'purchase habit' for your buyers, your Farm must make the ordering and fulfillment process convenient.

Seventy-six percent (76%) of customers admit their purchasing decisions are influenced by the available fulfillment options. Why? Because buyers want convenient access to your

products. With busy schedules, it must be easy for buyers to receive your products, otherwise, they will find another Farm that offers the conveniences they expect. Here are the fulfillment options you may want to offer buyers to access your Farm Subscriptions:

PICK UP:

The key to offering convenient pickups is the ease and accessibility for pickups to



To become a 'purchase habit' for your buyers, your Farm must make the ordering and fulfillment process convenient.



become a part of your customers' routine without driving out of the way. If your Farm is 15+ miles from the nearest town, then find a pickup location closer to your customers' homes or daily activities. Ideal options are schools, local businesses (e.g., cafe), or a church parking lot. Any place with "drive-thru" access is ideal. The key will be to align your pickup locations and times with buyers' work and school schedules so they can incorporate a pickup with their commute. Offering options beyond on-Farm pickup will lead to more sales.



Farms offering Direct
Delivery earn more than

2x+ in monthly average
revenues versus Farms
that do not.

DELIVERY:

The most successful Farms grow their recurring sales by offering Direct Delivery for Subscriptions. Americans are accustomed to Delivery to their doorstep with services like Amazon, GrubHub, and Instacart. Our data shows that Farms offering Direct Delivery earn more than 2x+ in monthly average revenues versus Farms that do not offer delivery.

Make Delivery profitable for your Farm by choosing 1-2 zip codes where your customers live

to build initial momentum and buyer density. Charge a delivery fee to cover the cost of your gas and drivers. People are willing to pay for the convenience of Delivery; in fact, Amazon has set the standard for grocery delivery fees at \$9.95 (nationwide). On average, Farmers charge roughly 10% of their average order size for delivery (typically, fees range between \$5-\$10 per delivery).



SHIPPING:

This option is *highly* dependent on the "stability" and the uniqueness of your products and the location of your Farm. Shelf-stable products (e.g., Honey) are easy to ship but not unique. However, some products are geographically unique and shelf-stable (e.g., Vermont Maple Syrup), which may make shipping a viable option. However, if your products are perishable and not geographically unique (e.g., Grassfed Beef), then putting your trust into third-party commercial carriers (and dry ice) can be a losing proposition – especially when it comes to recurring Subscriptions. As such, we recommend limiting Shipping Subscriptions to shelf-stable products only.

At Barn2Door, we see more than 98% of Subscription volume is driven by Pick-ups and Direct Delivery; Shipping is an outlier, cost-prohibitive, and fuels a much higher loss rate. While dropping your products off to a low-cost distributor is easy, the margins for Farmers are considerably lower, and Food waste is considerably higher. Whereas Farmers who invest in selling direct-to-market and making Subscriptions convenient to their buyers are winning --- earning more revenue, increasing margins, and saving time and money.



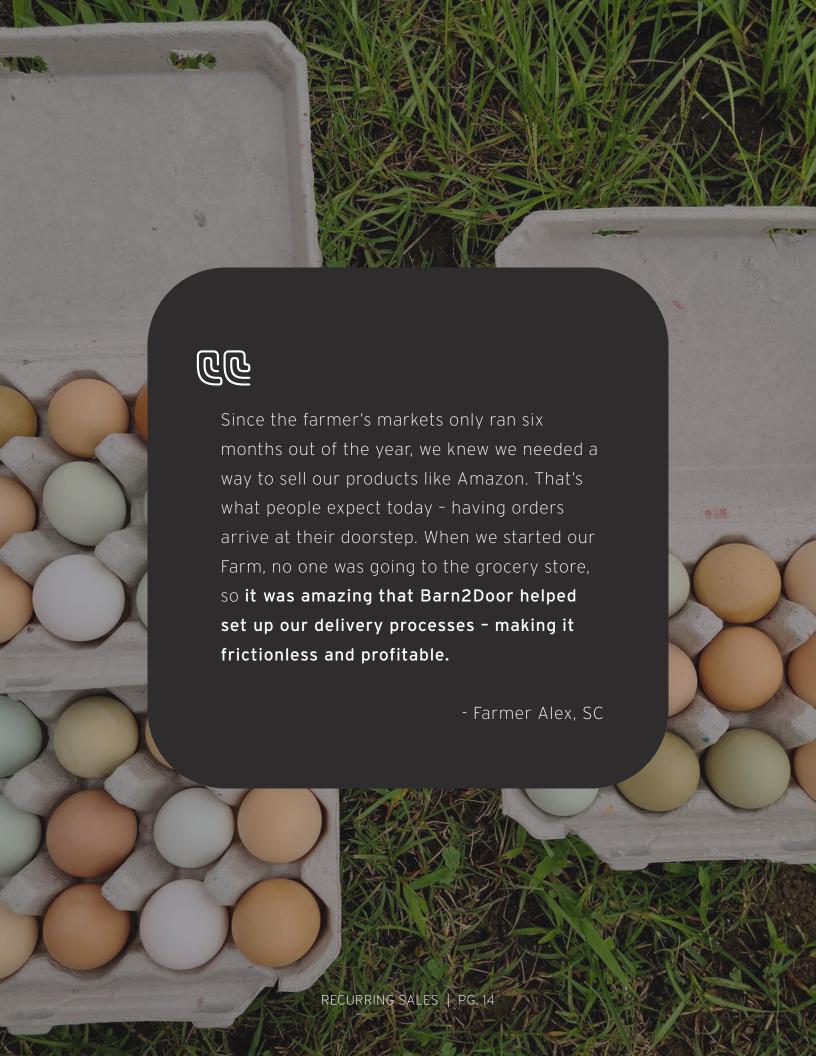
READ: How to Run a Convenient Farm Pickup Service



WATCH: Innovator Series: Scale Your Business with Delivery and Subscriptions



LISTEN: How Route Optimization Can Help Save Time on Delivery and Increase Profit





OFFER A MIX OF PURCHASE OPTIONS

After assembling your Fulfillment options, then put together the terms to purchase a Subscription. Most Farms offer a discount to pay for a Seasonal or Rolling Subscription upfront; however, not all Americans have the means to pay in advance. In fact, two-thirds (2/3) of buyers choose to pay-as-you-go, whereas only one-third (1/3) of buyers choose to pay in advance. The good news is that your Farm can allay inflationary concerns and offer food security to buyers by offering multiple purchase options for your Farm Subscriptions. Here are different options your buyers will expect to choose from:

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Subscriptions have the power to create buyer loyalty for your Farm business. Your Farm can lock-in recurring orders, and buyers receive consistent access to your products.

PAY AS YOU GO:

Allow customers to pay for your Farm products as they are fulfilled - weekly, biweekly, or monthly. Enable buyers to reduce their upfront cash outlay by committing to recurring purchases of your Farm products.

PAY UPFRONT:

Let customers pay for their Subscription in advance. As an incentive, most Farmers



will typically offer a 5%-10% discount for paid upfront Subscriptions to help increase cash flow ahead of harvest. (Note, this option is only available for Seasonal or Rolling Subscriptions for a predefined period of time on Barn2Door).

Subscriptions have the power to create buyer loyalty for your Farm business. Your Farm can lock-in recurring orders, and buyers receive consistent access to your products. As unexpected events occur, it's essential that people can cancel, skip, or join a Subscription at any time (especially for perishable Farm products). Flexibility helps build buyer loyalty and trust in your Farm Brand:

BUYER SKIP:

Americans are busy! Whether it's planned or impromptu, some customers will need to skip a fulfillment. Offering Buyer Skip allows customers to skip any given Delivery when they're unavailable (even months in advance).

BUYER CANCEL:

Life can be unpredictable. Offering customers the option to cancel their Subscription is typical for any service. Providing the ability to cancel without any penalties is important to instill trust in your Brand.

LATE ENROLLMENT:

Sometimes, customers learn about a Seasonal Subscription while in progress and realize they would like to join, too. Allow buyers to subscribe anytime during a Seasonal Subscription with "late enrollment" (e.g., sign-up in week 4 of a 20-week Subscription). This allows Farmers to increase cash flow and move more products mid-season without any hassle (Barn2Door automatically pro-rates the remainder of a Seasonal Subscription with Late Enrollment).



Convenient access to your Farm Subscriptions is essential to delight your customers and increase their confidence in your business. Anything your Farm can offer on a recurring basis for any duration (weeks or months) should be offered as a Subscription. Buyers who trust your Farm's Brand and Quality want it to be easy to access and receive your products consistently.





If someone pays 10 or 20 weeks upfront, they'll get a discount. It's convenient for someone to sign upfront because they don't have to think about purchasing again.

- Produce Farmer, CA



READ: Buyers Can Subscribe Anytime with Late Enrollment



WATCH: Pricing Your Products for Profit & Ease



LISTEN: Subscriptions on Barn2Door with Old Rich Valley Farm (Virginia)



MARKET YOUR SUBSCRIPTIONS

To grow your subscriber base, your Farm must inform buyers what's available by marketing your products! Think about items from your favorite brands - when there's a new product, they tell you. If they hadn't, would you know it existed, or would it have been too late?

There are multiple platforms to market your Subscriptions, spread the word about what's available from your Farm store, and engage with customers to drive sales. Different customers are active in different areas - online and in-person. So, when Farms actively engage their customers on all channels (web, mobile, social, email,

and in-person), they build more awareness of their products and create a larger loyal customer base. Here's how your Farm can use different channels to spread awareness of your Brand

EMAIL:

Customers check their inbox daily. Send a weekly email to keep your Farm top of mind. Use order reminders to spur sales from customers who've subscribed to your

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As repeat customers spend, on average, 67% more than new customers, it's essential to make sure you're consistently engaging them with your brand.



products to drive add-on purchases. Offering a new Subscription? Share through a Newsletter to non-Subscription holders.

SOCIAL MEDIA:

On Facebook and Instagram, your followers aren't just following your story, they're also keen to learn more about your products. They want to know what you offer, so you show them! One South Carolina Farm posts "what's included" in their weekly Subscriptions to spur FOMO (fear of missing out). This generated so many sign-ups that they sold out! Remember, people want to see what's included, especially in a Farmer-recommended box where you are choosing what's fresh and available. Give customers an inside look into your products, practices, and Farm life to drive loyalty to your Brand and generate purchases.

IN-PERSON:

Notwithstanding the recent pandemic, in-person interactions aren't going away. They'll remain just as steady as they were before. That's why it's essential to use in-person opportunities to market your products. Print flyers with a QR code that links to your Farm store (for an incentive to subscribe to your products). Hand them out at markets, post them at local businesses, and keep them handy in your car or truck to pass out on the road. Using in-person interactions to drive online sales has helped Farmers increase their average order size by 3x.

As repeat customers spend, on average, 67% more than new customers, it's essential to make sure you're consistently engaging them with your brand. Knowing how to engage customers and potential new buyers on various channels is key, but understanding the successful tactics to spur orders and make your Subscription service enticing is essential.



SUCCESSFUL TACTICS

Incentivize Subscriptions with Product Add-Ons: Sometimes, a value-added product or another item would pair well with your Subscription. Use the Barn2Door + Mailchimp integration to automatically send Recommended Product Add-ons to spur Farm orders.

Give Subscribers First Access to Desirable Products: People love feeling special and want to know your Farm values them. Let customers know that when they subscribe, they'll also be the first to receive access to specialty products.

Always Collect Emails: 1 in 7 people physically move homes each year, so you always need to be growing your email list. Allow customers to sign up for your email newsletter on your website or at your Farm stand with a manual sign-up sheet or QR code. Email is a powerful tool to engage customers in a place they visit every day - their inbox!

To promote your Subscription services, it's essential to automate order reminders and recommend add-ons. Why? If your customer purchases a Bundle (e.g., Breakfast Bundle) that you know would pair well with another Subscription service (e.g., Fresh-Pressed Juice), then recommend it as an add-on purchase. Order reminders are essential for customers who are typically part of a seasonal bundle, so they know exactly when it's for sale in your Farm store.



READ: 3 Time Saving Social Media Tactics to Boost Farm Sales



WATCH: 5 Steps to Write a Winning Email



LISTEN: A Chimp, Software, and Farming ... Let's Talk Email Marketing



CONCLUSION ○

Gain confidence and peace of mind by building a healthy base of buyer Subscriptions to fund your business. While the transition to Subscriptions does take planning and time - especially when it comes to pricing, packaging, and fulfillment - the upside and freedom that recurring cash flow offers your Farm business is well worth the effort.

In addition to the value Subscriptions offer your Farm, they also provide customers peace of mind knowing that they have hedged against inflationary concerns and secured access to local food for their families. A successful Subscription service boosts your Farm's revenue, generates recurring income, and saves your Farm time and money.

Barn2Door provides an all-in-one solution to grow and manage your Farm business. If you're curious to learn why successful Farms run on Barn2Door, watch this 5-minute video.



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