

## **To Your Customer's Door:** MARKETS TEAM Direct Delivery

**UW COOPERATIVE EXTENSION** 

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hose of a certain age may remember fondly the days of milk bottles on the doorstep and the Fuller Brush man peddling his wares door-to-door.In the past ten years, there has been a resurgence of interest in door-to-door or "direct delivery" marketing of farm products. Direct delivery marketing allows a producer access to customers without the challenges of negotiating sales space in a retail institution or the time and random sales of a farm market setting.

### There is a resurgence of interest in door-todoor marketing of farm products.

Setting up a direct sale system will generally take a number of years. Many producers sell at a farm market first, and develop a direct delivery sales list from a year or two of the random sales generated at a market. Some take out advertisements in a newspaper or shopper, or put up posters in neighborhoods to inform people about their products and services. Others rely entirely on friends, workplace, church or other networks and word of mouth to develop customers.Regardless of how your customer list develops, it will generally start small as people try your product for the first time, and grow as customers spread the word about your services.

### Key elements of a successful direct delivery business

Well-organized customer list management

Consistent and well-designed marketing materials. These do a good job of highlighting what makes your farm different.

Responsive customer service

Consistent, high-quality products

Clean and well-labeled packaging and delivery system

Proper labeling and licenses

Notice that price is not on this list. Many producers have found that if you bring a high quality product to the consumer's door, price is often less of an issue than in other marketing situations. You will want to price your product so that you are assured of recovering your costs (including time and transportation) plus the profit margin you need.

### Types of direct market delivery

Advertising direct quantity sales. An ad in a local paper advertises "Eat My Beef-Corn-fed Halves for Sale."This producer is taking advantage of the growing consumer interest in buying direct from farmers.By offering quantity sales only, this producer is ensuring that each transaction will be worth the customer's time and potentially allow a lower price per pound than a comparable product sold in a retail setting.It is common to sell the animal

"delivered on the hoof" to a processing facility, and require the buyer to contact the processor for cutting instructions, pickup and payment. A disadvantage of this system is a reliance on customers who have space to store larger quantities at one time, and the potential need to keep either live animals or be ready to deliver product for a period of time until a customer calls.

Door-to-door sales. Following the tradition of the old Fuller Brush man, some producers have found success in putting their product in a delivery vehicle and "hitting the road." One success story in South Dakota involves a "Goosemobile" that has operated for more than 20 years, crisscrossing the state for four weeks leading up to the winter holidays. The Goosemobile advertises in advance when and where it will be and customers line up to purchase farm-raised dressed geese, chickens, lamb and other products in over 175 towns.

On a more local scale, a dairy producer in Chippewa Falls, Wisconsin is testing the waters for home delivery of farm-produced dairy products, eggs and meat. This type of marketing scheme relies on the persistence and personality of the driver/salesperson to highlight the offered products.Routes are established over time. Challenges come in keeping delivery efficient and making the time spent per customer worthwhile. Determining the appropriate product mix, portion size and time of day for route sales are also issues to consider.

#### EMERGING AGRICULTURAL MARKETS

**Pre-order quantity.** Once you have proven that you can produce a quality product, you can consider sending out pre-order forms to a list of customers, asking for the number of chickens, amount of beef or pork, etc., they need for the upcoming season. A deposit of five to ten percent will help motivate customers to follow through on their commitment.

An advantage of this system is that you can closely predict what you should produce in a given season. A disadvantage of pre-order occurs when production tragedy hits and you for some reason are not able to deliver as promised. You must maintain good communication throughout the production year, with timely reminders and instructions for pick up or delivery and payment. A certain percentage of your customers will forget to pre-order and ask at season's end for product. It is a good idea to plan to produce extra to supply them.

CSA-style delivery. Many have heard the term "community supported agriculture" (CSA). This type of market calls for the customer to pre-pay for an entire season's worth of products, delivered or picked up on a regular basis throughout the season. Producers have found success in following this model with mixed boxes of meat products, eggs or other processed goods. as well as the more common mixed vegetables. For more information on this type of marketing, see the Extension publication What is Community Supported Agriculture? (A3611-4). A challenge to this is the occasional customer who forgets to call about a vacation or neglects to pick up their product. It is important to develop a strong contingency plan for any product left "undelivered."

Other pre-order system. Some producers have found success mailing or faxing preorder sheets to regular customers for targeted delivery. Orders are mailed, called or faxed in to the farm; boxes are custompacked and deliveries made at a prearranged time. The advantage of this system is that all that is taken on the road is sold, and the time spent is efficient. The disadvantages lie in the time spent facilitating the system and managing stock. Some producers have found success in "piggybacking" on other pre-order systems, such as a warehouse food-buying club or traditional CSA.Offering bimonthly egg delivery to a buying club drop-off site can be a very lucrative venture. This system can also work nicely for those producing processed products such as maple syrup, jams or cheese as the customers are already gathered and primed for local and/or healthy foods.

#### **Laws and licensing**

It is critical that those marketing direct to customers in any of the above mentioned ways have the correct licensing and follow the appropriate laws. You will need to obtain a **mobile retail food license**. Proper food safety and handling procedures must be followed, including proper temperatures of delivery containers or vehicles. Proper labels must be used, including the producer's name, address and product weight. Baked goods and processed products must be prepared in a

licensed processing kitchen. All meat must be processed in a state or federally inspected processing facility, except for poultry, in which up to 1000 birds can be processed on-farm and sold direct to consumers. It is also recommended that you obtain liability insurance to cover yourself and your product in any case of concern.

# Help for direct delivery marketers

Support systems have developed to help bring your farm to the attention of potential customers.Regional farm directories, such as the Farm Fresh Atlas have maps, addresses and product listings for consumer use. There are now several of these around the state. Contact your local Extension agent to find out if there is one in your area. Web sites such as Wisconsin's Savorwisconsin.com and the national Localharvest.org offer searchable databases by product and/or location to help customers find out about products and services.

Direct delivery is a marketing method that is generally very rewarding, both economically and in morale, as customers get a chance to tell you directly how much they like what you produce. However, it can be labor intensive and has other challenges, and so will not be for everyone. Consider the above-mentioned options, explore details for your particular operation and do a little trial and error to decide if door-to-door marketing is a good fit for you.

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