



JÖNKÖPING UNIVERSITY  
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# Marketing Research for Hushållningssällskapet

## How farm shops in Sweden utilize social media in marketing

**PAPER WITHIN** *Marketing Management*

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# 1. Introduction

The idea of this project was to work with different companies, authorities or organisations where they provide us information on a particular project or marketing issue. The purpose was to apply theoretical knowledge to practice and receive a better understanding of a specific area of marketing. The organisation that we were assigned to was Hushållningssällskapet, and it is located in Huskvarna. Hushållningssällskapet is an organisation that offers services in forms of individual consulting, course activities and various development projects, they work with rural areas such as agriculture and provide new knowledge for evolving. The organisation also works with food production, forestry, environmental issues and additionally, they have multiple agencies as customers (Hushållningssällskapet, n.d.).

Nicklas Bengtsson is the chief development director of the organisation and also our contact person for this project. After scheduling a meeting with him, Mr Bengtsson introduced us the organisation, its ongoing projects, and also how the organisation has multiple different customers. During the meeting, we discussed potential topics that could be chosen for the project and we decided to mainly focus on specific customers of Hushållningssällskapet, which were farm shops. We were informed that most farm shops needed insights when it comes to marketing. Hushållningssällskapet being a consultant organisation, the purpose of this project was to gain information on how farmers market their products to consumers on social media. This was achieved through a qualitative survey for farm shops that produce and sell different agri-food products. Furthermore, after collecting all the data needed and analysing it, we are giving recommendations on how to improve their marketing and attract new customers. Our survey was based on general questions about basic information such as their annual production and revenues and mainly focused on questions regarding their marketing strategies. Social media is an important concept in our survey due to it being a common and efficient marketing strategy nowadays. However, as Tuten & Solomon (2013) state “social media complement other marketing techniques but don’t necessarily replace them”. In the survey, we asked the various farm shops what strategies they use to market their products and if they take advantage of social media in their marketing.

Marketing strategies influence the farm shops' attractiveness and revenue in various ways. In this paper, we will first examine the theoretical framework, then the method used in the data collection,

analyse our results and finally do a conclusion about our findings and discuss potential improvements.

## 2. Theoretical Framework

Farm shops are often located in farm premises selling products directly from the farm, for example, meat, eggs, vegetables, and processed food products. These products can be divided into two categories: the products that have not been processed before selling, and the products that have been processed before selling. The farm shops contribute to the bottom line of the farms and act as the first contact between the farm and the end consumers. Since the farm shops are representing the whole farm, it is important that the products and other visible attributes showcase the best features of the business and create a positive image in the consumers' head. Especially since many of the farm shop products are missing a recognisable packaging, it is even more important that the farm shops utilise all of the chances to be seen and being recalled by the consumers. Marketing farm shops and farm shop products are difficult since often these shops are located in remote areas and are independent with very little knowledge about marketing. The issue is not properly addressed in the academic literature and could be examined more in the future, as the importance and interest of locally produced food continue to increase.

Marketing agri-food products and farm shops in rural areas raises several issues but also creates possibilities to revive the region's tourism and activate the locals to visit farm shops more often. The good reputation of the region has a strong positive correlation on how people perceive the local products. "If consumers are aware of and have strong and favorable associations with a region, these associations will be triggered when the region-of-origin cue is encountered" (van der Lans, van Ittersum, De Cicco & Loseby 2001). Examples of regional online marketing can be found for instance in Stockholm. The whole area of Stockholm's archipelago has one website that gathers information on different events, shops, and sightseeing in the archipelago (Stockholm Archipelago, n.d.). By using one website, all of the entrepreneurs in the area are benefitting from the traffic that is directed to one single URL. The possibilities created by this will be handled more in detail in the part *Conclusion and Implications*.

Having several target market segments usually creates an urgency to use several methods in marketing communication. Same platforms can be utilised in many ways to create a powerful message to the consumers. Hoffman & Novak (1997) suggest that "marketers should focus on

playing an active role in the construction of new organic paradigms for facilitating commerce in the emerging electronic society underlying the Web rather than infiltrating the existing primitive mechanical structure”. Having an e-commerce acts as an additional revenue creation tool as well as strengthens the marketing communication. The possibilities and barriers for facilitating an ecommerce for a farm shop are discussed further on in this paper in *Conclusion and Implications*.

One of the common problems is how to raise awareness of the farm shops and how to get people coming there. Once the farm shops have been able to turn prospective customers into returning, loyal customers, those customers are easier to keep. These regular customers are more willing to market the farm shop through word-of-mouth. Even though the word-of-mouth is effective and can spread awareness widely, some additional marketing efforts are recommended. Our focus is in the digital marketing and in the use of, especially social media in the marketing of farm shops and their products. The Web is a virtual, many-to-many hypermedia environment incorporating interactivity (Hoffman & Novak, 1997), and many of the conversations are created organically among the customers. Having loyal customers increases the chances for viral discussions about the products, but also creates the urgency for the company to be able to answer and comment on the discussions taking place in social media.

### **3. Methodology**

After deciding the topic of our project, we needed to contact farm shops in order to receive the data desired. There were various options we considered for the data collection process but at the end, we decided to do an online survey. Other methods we examined included calling the farm shops or visiting them. Calling was ruled out due to the fact that oral answers could be misunderstood more easily than written answers. In order to have the data to refer to in our project, we would have had to record the calls and then do a transcript of them which would have been time-consuming. Visiting was not an option for us either in this case as we had such a limited time for this project and setting up meetings with multiple farm shops did not fit our schedule, not to mention the time needed to travel to each farm shop. After reviewing all the possible options, we decided that an online survey is the most efficient way to reach as many people as possible within a short period of time. The structure of the survey allows participants to get back to questions they already have answered and possibly change some answers. This is harder to do in an interview or during a phone call, since the participant might forget some of the

previous questions and therefore, they are not likely to be changed. Our choice of method could result in more comprehensive answers.

Our survey was qualitative, and it consisted of open questions. In total, we had 24 questions in the survey and they were divided under five main topics: general information about the farm shop, their relations with customers, social media channels, the content of their social media platforms, and paid advertisements. As our contact list was short and we expected to only get a few answers, it was more beneficial to design a qualitative survey. The focus of the survey was to find out if the farm shops are active on social media and if they recognise the value social media hold in today's marketing. Today, younger people are showing increasing interest in buying food from these farm shops where the food is ecologically produced, and the customers are able to know the exact origin of it. Since social media are widely used in marketing today and the platforms reach a large number of people we decided to narrow the focus of this project down to social media due to the potential they hold. Although social media are a common way to do marketing there is little research on the topic in this setting and that was another factor why we found this subject so interesting.

From Nicklas Bengtsson, the chief development director of Hushållningsällskapet, we received contact information for multiple farm shops and we decided to send them emails with a link to the survey. We sent 18 emails and after two days had only three answers. After those two days we started calling the farm shops that had not answered the survey and out of five, only one answered the phone call. The person who answered promised to do the survey but unfortunately never did. Due to having only three answers we decided to call the farm shops that had not done the survey yet.

After calling several more to remind them about the survey, we got only one more answer, so four in total. As we anticipated, many farm shops did not answer the phone calls, which was also our concern when deciding on the data collection method, and some replied that they are not interested. We set a deadline for the farm shops to answer on Thursday 17th of May and after that, we would have to start analysing the results. In the end, we still had four answers and those are the base of our analysis and conclusion.

## 4. Analysis

Our study had a focus on understanding how companies utilise social media to reach their target segments and promote their businesses. We were hoping to receive at least six responses to our survey to make it more legitimate, in the end, we had a minimal response and managed to receive only four responses. Therefore, the results might show some trends but cannot be applied to the whole industry without preprecaution. The businesses included in the survey were conducting their businesses in different branches including red meat producers, vegetable, and vegetation producers. The companies included in the survey are all present in the region of Småland and has a yearly revenue between 1.5 to 2.5 million SEK.

By observing our empirical study, a common thread can be seen. All of the four participants that partook in the survey are using social media. The extent to which they use social media differs but is commonly very limited. Three out of four participants use only Facebook, one company, however, is using a broad variety of platforms to convey to their customers such as Pinterest, Instagram, Snapchat and LinkedIn. In addition, all companies agree that social media is a very important tool for their businesses.

As we expected given the small size of the businesses we were interacting with, the social media channels are run entirely by the owners with no help from a communication professional. However, one organisation was an exception and was using professional communicators to run their social media platforms. When it comes to measuring their performance on social media the answers vary; one does not understand the question, one responds that he is using his gut feeling and two companies measure it by counting the number of interactions they have had with followers. The companies share the same primary target segment which is private consumers. We asked whether they believe there are other segments that they could potentially target, and the responses were very different from one another. Other target segments they believed could be beneficial to their businesses included: restaurants, kitchens, wholesale and public procurement. Using social media to market these niches would not be effective. In that case, personal selling would be advisable.

Since social media marketing cannot be utilised, we are excluding these actors out of the research.

Two of the businesses are lacking knowledge regarding why their customers decide to purchase their products and whether or not they would be willing to recommend them. As social media is commonly used to facilitate communication between consumers and the seller, as well as between



consumers, companies should create content that enables the consumers to share their purchasing habits with each other. This would give companies a deeper understanding of what consumers find desirable. Two of the companies use Facebook competitions and citizen surveys to understand their customers' desires for their products. Topics that are usually discussed in their social media posts are new product releases, competitions and nature photos of the farms that they operate. In addition to social media promotions the companies also share the use of advertisements in newspapers and company website.

## **5. Conclusion and Implications**

The area that we decided to help the farm shops with was their social media marketing and to help them increase the number of customers in reaching individuals that share the values and beliefs of eco-lifestyle through promotion on social media channels. Through the survey, we analysed the underlying issues that the farm shops were facing with marketing their products. Having a carefully structured and implemented social media strategy can result in increased engagement and customer satisfaction. However, the responses that we received showed that some of the farm shops need improvements when it comes to communication through their social media platforms. Few of them stated that they are rarely active online, which is an inefficient way of using the platforms to promote and market their products.

Some improvements that we could have done regarding this project is to have face-to-face interview with the owners of the farm shop to get clear results from them. Meeting the owners in person and having a direct communication with them would have made it easier to become aware of the problems they are facing. In addition, people's attitudes towards personal interviews are more positive than towards online surveys which can easily be dismissed. This could have made it possible for us to reach the minimum of six interviews that we were hoping to receive. As discussed earlier, personal interviews would have required more time.

Active use of social media would help the farmers to reach more customers and raise brand awareness. The social media platforms are better suited to improve communication and build customer relationships, compared to traditional marketing channels such as advertisements. Consumers benefit from social media, where they interact and share their beliefs and values with other people, it also made consumers purchases increase at a dizzying rate. On the other hand, firms are now using social media to engage the customers more in their products and humanise

their brands such as creating a Facebook account for a brand (Lamb, Hair & McDaniel, 2017). There are several social media tools, such as blogs, media sharing sites, and review sites. These are only a few tools for using social media to popularise the farmer product. In addition to social media, which is mostly owned media, farm shops could utilise earned media, such as independent blogs and word-of-mouth, and paid media. As social media become more popular, more consumers will rely on social media in purchasing decisions, and companies without social media are in danger of losing competitive advantage and potential sales.

Out of the participants, only one is actively using social media every day. The usage among the other companies varies from once a week to once a month. In order to grow and develop a platform, a good starting point is to strive to create value for the farm shops' customers on a daily basis and post according to a planned time schedule. The objective is to become a source of content that people can expect to provide for them once or twice a day. With careful planning, this does not have to be time-consuming, and in the process, it builds trust and creates engagement. Consistent and good quality content are encouraged. As previously suggested, creating a website to showcase all the farm shops would make it easier for the consumers to find new attractions and plan visits. In addition, end consumers and entrepreneurs might offer opportunities to these farm shops to expand their market share. The website could include the contact information and an attractive summary of the farms. Although the usage of e-commerce has increased among small to medium-sized companies, facilitating an e-commerce with agri-food products would create barriers concerning transportation and additional overhead costs.

The smaller businesses also answered that they have very limited experience with paid social media advertisements to promote their businesses and it is not hard to fathom why. It requires knowledge to understand how the paid advertisements can be used to aid your business and create a positive change. It also requires expertise to measure the achieved results and optimise advertisements to make them reach the company's goals. We would recommend for the farm shops to participate in a social media focused workshop held by a social media expert. A workshop is time efficient and a practical way to learn and practice skills related to social media. We would further recommend the farm shops to conduct a marketing research for their prospect and existing customers.

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## 8. Appendix

### Appendix 1: Survey

#### Produkter och generell information

Vad producerar ni?<sup>4</sup> svar

nötkött

Jordgubbar och potatis

Lamm o nötkött

Kommunal service. Vård, skola, omsorg, och utvecklingsarbete

Hur mycket producerar ni varje år?<sup>4</sup> svar

15000 kg

4-5ha potatis och 4-5 ha jordgubbar

10 ton

ej relevant

Vad är företagets årliga inkomst?<sup>4</sup> svar

1.5 mille

Omsättningen ligger runt drvvt 1.5 miljoner

2400000

ej relevant

Var är ni placerad?<sup>4</sup> svar

mellan Värnamo och Jönköping

Eksjö kommun

Värnamo

#### Relationer

Hur kommunicerar ni och bygger relationer med kunder?<sup>4</sup> svar

hemsida Facebook

Vi arbetar med direktförsälning mestadels, så Facebook och hemsida och face to face.

Nöjda kunder, hemsida, facebook, instagram

Tryckt media och sociala media. Dialogmöten och möten på stan

Vilket är ert primära målsegment?<sup>4</sup> svar

Jönköping

privatkunder

Den lokala marknaden, den medvetna konsumenten.

Privatkunder

alla medborgare, föreningar och näringsliv i kommunen.

Kan ni se potential hos några andra segment, specificera?<sup>4 svar</sup>

mataffär. restaurang. storkök

Tror ovan segment räcker.

Offentlig upphandling

Potentiella inflyttare och etablerare

Har ni frågat era kunder om deras åsikt av eran produkt och varför dom väljer den, och deras villighet att rekommendera?<sup>4 svar</sup>

nei

Indirekt genom tävlingar på Facebook.

Nei

medborgarundersökning vartannat år

Social Media Kanaler

Vilka kanaler använder ert företag när det kommer till Social Media?<sup>4 svar</sup>

Facebook

Facebook.

Facebook, instagram

FB Insta Snapchat Twitter LinkedIn

Vilka andra metoder använder ni för att marknadsföra till era kunder?<sup>4 svar</sup>

hemsida

Annons i jp.

Tidningsannonser i mkt sparsam omfattning

tidningar hemsida

Hur ofta är ert företag aktiv på Social Media plattformar?<sup>4 svar</sup>

1 gång/månad

Kanske

10-20

inlägg

per

år.

dagligen

ngn gång per vecka

Hur mäter / utvärderar ni er prestation på Social Media?<sup>4 svar</sup>

inte alls

Tja, antalet nådda personer.

inte alls

inläggsinteraktioner

Vad har ni haft för resultat? 4 svar

? (2)

Har 3000 följare så vissa inlägg får bra räckvidd  
ökande

Innehåll

Vad för innehåll skapar ni? (video, fotografi, grafisk design, något annat?) 4 svar

foto. info

Enkla bilder

Bilder och text

video bilder artiklar

Vad är det för olika ämnen ni kommunicerar om? 3 svar

leveransdag. diurbilder/natur

Premiärer, tävlingar etc

Vad som är på gång i butik och naturbilder från gården

Vem är det som skapar innehåll till era Social Media kanaler? (t.ex. Era anställda eller ett proffs?) 4 svar

iag

Inget proffs. en av familjen.

Vi själva

anställda och kommunikatörer som är anställda.

Hur många olika personer har ansvar att kommunicera på er Social Media kanaler? 3 svar

1 (2)

Mest bara iag

Betalda annonser

Använder ni betalda annonser på någon av era Social Media kanaler? 4 svar

har provat

Nej

Har hänt, mkt sällan

ibland

Hur mycket är eran månadsbudget för Social Media? 3 svar

i stort sett inget

0kt

0 kr

Hur mäter ni effektiviteten av era annonser? 4 svar

?

Likes och delningar

Magkänsla

inläggsinteraktioner

Vilka andra ställen utanför Social Media använder ni betalda annonser? 4 svar

inget

Jo

Lokala tidningar

tidningar

Är det viktigt att vara synlig och aktiv på Social Media för ett företag som ni driver?<sup>4</sup> svar

Ja (2)

ja

ja

Vilka områden är det som ni känner ert företag behöver mest hjälp med att utveckla när det kommer till Social Media?<sup>3</sup> svar

allt

Inget just nu

Har inte haft tid att tänka efter

Skulle ni kunna ge oss alla era Social Media plattformar?<sup>4</sup> svar

?

Förstår inte frågan

De finns på nätet...

?