
# Top Characteristics of a Successful Direct Marketer

**By: Jenny Beiermann, Jeffrey E. Tranel, and Trenton Tanabe [1]**

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Direct marketing is the process of a producer selling goods directly to customers through channels such as farmers markets, farm stands, community-supported agriculture, or online sales. It has become more popular in agriculture because it may increase profitability and create new income opportunities. At the same time, it requires producers to take on additional responsibilities including marketing, managing purchase orders, and working directly with customers. This factsheet outlines the core tasks and skills involved in direct marketing and offers guidance to help producers decide whether this path makes sense for them and their operation.

## Consumer Interest in Purchasing Local Food

Recent research shows strong and growing consumer interest in locally produced food. According to the USDA Economic Research Service, around 80% of grocery shoppers report they are more likely to buy local products, often citing freshness and food safety as their top concerns. Many also prefer the idea of supporting local farmers, ranchers, and the regional economy by purchasing directly rather than through traditional retail channels, according to the USDA Economic Research Service. In addition, there has been a cultural shift through word-of-mouth and social media that promotes local food as more sustainable and transparent. These influences are shaping how consumers make food choices and are driving up demand for locally grown products. While this growth presents clear opportunites for producers, it's important to recognize that direct-to-consumer marketing is not the right fit for every agricultural business.

## Trends in Current Producer Participation

According to the USDA Economic Research Service, about 6.1% of the U.S. farms participate in local food sales, either through direct-to-consumer channels or intermediated markets. Nationally, direct market food sales totaled $17.5 billion in 2022, a 25% increase from 2017. In Colorado, direct market sales reached $30.3 million in 2022, up slightly from $29.9 million in 2017, according to the 2022 USDA Census of Agriculture. These trends suggest that direct marketing can offer opportunities to increase farm revenue. However, success in this space requires careful evaluation of whether a business is equipped to support these sales. Producers must consider

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[1] Beiermann and Tranel are Agricultural and Business Management Economists with Colorado State University Extension and faculty affiliates with the Department of Agricultural and Resource Economics. Beiermann can be contacted at jenny.beiermann@colostate.edu. Tanabe is a graduate student in the Department of Agricultural and Resource Economics.

questions such as: Who is the target customer? How will the product reach them? What price will be charged? And do I have the time, tools, and capacity to manage these added responsibilities?

## Segments Required for Direct Marketing

In traditional supply chains, agricultural producers are often responsible for just one or two parts of the process, such as growing or raising the product. However producers take on the full responsibility of getting their product to the consumer in direct marketing. This includes managing production, processing, marketing, and distribution, all of which require time, planning, and often times, new skillsets. These added responsibilities can be challenging, especially for those with limited experience outside of production.

**Production**:
A direct marketer has to ensure they have enough products to supply both the traditional market and the extra demand created from direct marketing. This means they must be able to carefully plan when and how much to produce, plan for how much the customers will want, and make sure they have enough inputs to meet the increased demand.

**Processing**:
In traditional production agriculture, processing, such as slaughter, packaging, and labeling is performed by a person or entity other than the producer. When a producer decides to be involved in direct marketing, the producer becomes responsible for processing activities, including meeting regulatory requirements and maintaining product quality.

**Marketing**:
Marketing in direct-to-consumer sales means more than just advertising one's products. Producers must be able to build and maintain lasting relationships with customers. This process begins by knowing exactly who the target customer is and what they value in the product. Once they understand this, producers will be able to communicate effectively, tailor their messaging, and ultimately grow customer loyalty and sales.

**Distribution**:
Being able to get the products into the customers hands efficiently is a vital part of direct marketing. This can be done at a market, delivering to homes/businesses, or even offering pickup options. In order to be successful at distribution, a strategy that works for both the buyer and seller is important. A well designed distribution strategy may lower cost and improve the overall buying experience.

Direct marketing is unique and challenging, because the producer becomes responsible for managing all steps of production, processing, marketing, and distribution. While direct marketing is a huge undertaking, it gives the producer full control over the quality, delivery, and messaging of the goods being sold. Customers are often looking to have a direct relationship with those who produce their food. Managing everything from processing to distribution allows producers to build these strong relationships with customers and respond to their changing needs. These actions lay the foundation for business growth, customer retention, and the ability to adapt in a changing market. As more people want to buy fresh, local foods, farmers and ranchers are stepping to sell directly to the final consumer.

## Top Characteristics of Successful Direct Marketers

How do producers know if they have the time and skills to efficiently market their goods directly to consumers? Expert opinions of CSU Extension agricultural economists and interviews with experienced direct marketers highlight the following traits as important for a producer to be successful in direct marketing. Although "successful" is a relative term, these traits have contributed to profitable direct marketing businesses. A producer can learn more about what exactly selling directly to a consumer takes and make a decision on whether or not this path is for them.

**Effective communication and interpersonal skills**

Each customer is different and may have questions about products, pricing, or delivery methods. Being able to communicate clearly by answering questions, returning phone calls, and answering emails is essential. Good communication helps build trust, avoid confusion, and keeps customers coming back. A customer unable to contact the producer of feels as if questions are not being answered, might choose to buy elsewhere. Clear and timely communication is a key part of direct marketing.

**Time management and follow-through**

Direct marketing requires a producer to manage multiple tasks at once  from raising and processing animals to marketing and delivering the final product. On the production side, the producer must stay on schedule with key tasks like planting, harvesting, feeding, processing, and slaughter. On the market side, it is just as important to promote products, communicate with customers, and follow through on orders. Being able to correctly manage both sides of the business is important for a direct marketing business model.

**Attention to detail in product handling and presentation**

How a product looks, feels, and is packaged can have a major impact on a buyer's decision. Quality packaging or presentation, accurate labeling, and a consistent brand image make the product more appealing and also signal value and professionalism. These details matter because they help build relationships with customers and show that the product was produced with pride. Good presentation is also a key part of marketing and branding; it can tell the story and set the product apart from competitors. When done correctly, these efforts give the producer a competitve edge and can lead to consistent sales and customer loyalty.

**Paitience in working with customers and partners**

Not every interaction with a customer will go smoothly. There may be delays in processing or issues with logistics that can be frustrating for everyone. Being patient helps direct marketers respond to complaints, special requests, or confusion in a calm and respectful manner. This goes a long way in building the customers trust. Patience is also important when dealing with business partners, whether they are your family members, service providers, or customers.

**Accurate record-keeping**

Keeping detailed records is an important part of running any business. Complete and accurate records allow a producer to manage inventories, track sales, and determine appropriate and profitable prices. The records pertaining to direct marketing should be kept separately and in addition to the records for other businesses and enterprises. Separate records will be needed for determining if the time and costs of direct marketing is worthwile and for reporting purposes, such as the I.R.S. Having complete records allows producers to make informed decisions and run a more efficient direct marketing business.

**A clearly defined market or customer base**
Knowing exactly who the target customers are and what they are looking for makes it easier to market effectively and meet their needs. The process of choosing a customer needs to start small. For example, find a customer with a specific need. Once a direct marketer finds these customers and can meet their needs succesfully, the producer can then move onto meeting the needs of others, and thus increasing their customer base. Without a clearly defined customer, marketing is not streamlined, meaning the business may not run efficiently and marketing becomes quite difficult, leading to frustration and deficiencies.

**Willingess to acquire new knowledge and skills**
Direct marketing requires learning how to run every part of a business. From managing orders and tracking inventory to promoting products and handling finances, many of these tasks involve skills that may not be familiar to some. Taking time to learn new skills can be beneficial because it can help producers stay organized, make smart decisions, and build better systems over time. Learning new skills also allows producers to have more control over their business and adapt to changing consumer preferences and technologies.

**Ability to solve problems and adapt**
Unexpected challenges are a normal part of direct marketing. A delivery might fall through, a customer may cancel an order, or a product that sold well one week might not sell well the next. These challenges can be frustrating, but they're common and unavoidable. When these happen, it's important to stay calm, think clearly, and find a solution. Being able to solve problems helps maintain good relationships with customers, keeps the business running smoothly, and builds your confidence for handling similar situations in the future. Flexibility and the ability to change plans can be the difference between a business that succeeds and one that stalls out when things go wrong.

**Comfort using technology for business tasks**
Some direct marketers find it easier to use digital tools to manage their business operations. For example, a simple website will help customers view products and find their contact information. Social media platforms, like Facebook and Instagram, will let producers share business updates, photos, and build a relationships with customers by responding to messages and questions. Email tools to send out newsletters and order reminders can be useful, while record keeping software will help track expenses, sales, and profitabilty of the business. Point of sale platforms allow different payment methods, and streamlined business logistics. Not all of these tools are required to run a succesful business, but many of these tools can save time and effort. The more comforatble a producer is with using this technology, the more they may be able to increase or maintain sales.

**Strong Marketing Skills**
It is important for producers to know how to price their products. Understanding the costs of producing the goods in addition to the costs of processing, marketing, and distributing them is critical. If prices do not cover all costs, the direct marketing activity will incur a loss, and the business will be unsuccessful.

**Marketing a Story**
Sharing the story of what is being sold is also a good skill to develop. Teaching the consumer of where the product comes from and how the producer got into agricultural production will foster long term trust. The

basic skills of branding, messaging, and customer retention is a must in order to be a succeful direct marketer.

Direct marketing involves many different jobs, such as producing the product, handling sales, keeping records, and communicating with customers. It takes strong skills in time management, organization, and working with others to keep everything on track. Success comes froms using a mix of these skills, not just relying on one.

## Summary

Direct marketing is typically a long-term strategy that may take several years for a producer to fully evalauate its contribution to business profitability. While consumer interest and market opportunities currently exist, producers should evaluate their own capacity, skills, and ability to meet the market demands and responsibilities There is no right or wrong answer as to whether or not a producer should or should not direct market their agricultural goods. Careful planning and realistic expectations are essential to determining whether this model is a good fit. Some operations will excel in direct marketing and others would benefit more by using their time and management skills in fortifying their existing markets and business model. This is also a decision that should be made collectively between the stakeholders in the business to ensure that all involved are commited to and dedicated to its success.

References

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