



Ecommerce Platforms in Kentucky

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Introduction

The Covid-19 pandemic introduced ecommerce platforms into many on-farm retail markets and farm market vendors' daily business proceedings. The need for cashless online payments pushed this initiative. Almost instantly, retailers who previously used word-of-mouth marketing and non-digital invoicing systems had established online stores through the many ecommerce platforms available to Kentucky's producers. The once cutting-edge platforms have now become a standard in the world of on-farm retail markets and most farm market vendors businesses. As observed in these respective markets, many vendors are using similar, if not the same platforms, to market their products and complete online payments. The leaders in this effort are applications like Square, Shopify, GoDaddy, and even some popular peer-to-peer online payment systems like Venmo and PayPal. Are a select few platforms meeting the diverse needs of agri-businesses throughout the state? This article will compare common and uncommon platforms being used in on-farm retail markets and farm markets alike. The article will provide real feedback from Kentucky users on matters such as online payments, online store development, data reports, and time commitments. The article will also introduce and remind producers of new and upcoming ecommerce platforms that are not used as often, if not at all, in our Kentucky markets.

Assessment Factors

Most on-farm retail markets and farm markets are self-reliant when it comes to typical business proceedings. Due to many farm markets being family owned and operated, there is not an excess of

resources like time, money, and labor to exhaust on extensive online ecommerce platform development. This creates a specific demand for features that fit the unique needs of agri-businesses. The article aims to assess the most desired features for platforms. The assessment factors have been identified by the needs and feedback voiced by Kentucky agri-business owners and producers. The factors to be assessed for each platform are:

- **Typical Use:** provides an idea of how producers and retailers are typically using this in their respective business settings
- **Price Range:** gives an idea of the types of fees and transaction costs
- **Data:** a general idea of whether data reports are offered
- **Inventory:** establishes if the platform tracks inventory for the vendor/owner
- **Online Presence:** determines if the platform can connect you to a website or help with website development and online exposure
- **Customer Service:** assesses if customer service is available
- **Time Commitment:** gives an idea of the time required for initial setup
- **Convenience:** details if the platform is convenient for the retailer to use

Popular Ecommerce Platforms in KY

The following will outline the more common

ecommerce platforms being used in Kentucky. The assessment factors will each be listed with their respective conclusions. Also included will be real feedback from users and how they fit



¹Katie completed an internship with the Center for Crop Diversification in summer 2022

Popular Ecommerce Platforms in Kentucky

	SQUARE	SHOPIFY	GODADDY	PAYPAL	VENMO
Typical Use	online stores, storefront, farm markets	online stores, storefronts	online stores	invoices, cashless payment, farm markets	cashless payment, farm market
Price Range	- monthly plan from \$0-29 - transaction fees: 2.6-3.5% + \$.10-.30	- monthly plan \$29-299 - transaction fees less with higher price plans (2.4-2.9% + \$0-.30)	- variable monthly plan - transaction fees 2.3% + \$0-.30 (less for in-person transactions)	- transaction fees: \$1.9-3.49% + fixed fee - fees vary by use, invoicing costs more; QR payment, less	- free if used for bank account, debit or Venmo cash - transaction fees 3% for credit cards
Data	yes	yes	yes	yes, but limited	no
Inventory	yes	yes	yes	no	no
Online Presence	yes	yes	yes	no	no
Customer Service	yes	yes	yes	yes	yes
Time Commitment	1-4 hours, varies by user	1-4 hours, varies by user	1-8 hours, varies by user	.5-1 hour, varies by user	.5-1 hour, varies by user
Convenience	high	high	moderate	depends on business type	short-term convenient; long term less

Grower Comments

Square

Square has been implemented into a variety of agribusinesses. First, Square is very moldable to different businesses' needs. Users often implemented this ecommerce platform across a variety of agribusiness models including farm market stores, farm market vendors, and as an online store option. Users often mentioned the simplicity of Square and how they can customize it to be as simple or sophisticated as they need. Because of this, they also felt this would allow them to efficiently adapt this platform to changes in their business. Square also has a notable customer service and support system for users. One user who had a restaurant feature commented on the data not being sufficient for their needs, but others found the data was adequate. This can be faulted to different businesses needing different features.

More info at: <https://squareup.com/>

Shopify

Overall, Shopify users were impressed with the user-friendliness and the different degrees of sophistication one can achieve with this ecommerce platform. If a simplistic or well-developed online presence is desired, this platform is a great way to achieve these goals. The users typically started with simple features offered on the platform and then advanced to more complex features later. Users felt the platform could easily adapt to any future business changes that warranted shifts in their ecommerce platform. One user had tried other platforms like Wix and Yahoo and felt that Shopify was less complicated and more user-friendly.

More info at: www.shopify.com/

GoDaddy

GoDaddy users said this platform was an easy way to obtain a website domain to establish an online presence. The registration was easy to navigate and provides helpful resources like FAQs and Help Guides to maneuver the registration process. This platform is great to aid in online store establishment but does not offer the portability that applications like Square offer with online apps to use for cashless payments and magstripe readers. One owner even used GoDaddy for their online presence and then used Square for in-store and farm market needs for payments. Overall, GoDaddy met all assessment factors, but the convenience factor could be a point of contention with some business models that had in-person and in-store transactions.

More info at: www.godaddy.com

PayPal

Producers who exclusively used PayPal were typically those with a need for invoicing. PayPal allows you to send invoices with ease if you have customers email/account names. The number of orders and number of transactions should be a consideration when looking into using PayPal as an ecommerce platform. If you have a lot of products, this platform might not be feasible due to having to establish products and repeatedly and manually distribute invoices. If a business model includes a store where there are hundreds to thousands of individual transactions per day, this will add up to a lot of work for the user. PayPal would be sufficient for wholesale due to the fewer number of items and buyers. Sending an invoice to a large volume of customers would not be feasible. The use of PayPal has been observed in Farm Market Vendor settings to accept cashless payments by the customer sending payment.

More info at: www.paypal.com

Venmo

Venmo users mainly used this platform to accept online cashless payments. The trend became popular when the pandemic forced businesses to start accepting some form of cashless payments. Some on-farm stores use Venmo, but farm market vendors more often utilize Venmo. Venmo does not satisfy many of the assessment factors, as it does not track data due to it mainly being used for peer-to-peer payments. The time commitment to use Venmo is very little due to not having to establish an online store, but rather just a profile. The convenience of Venmo is nice for transactions, but it should be noted that as of recently Venmo users will be subject to receive a Form 1099-K if receiving at least six-hundred dollars in payments. Venmo was a short-term solution at the beginning of the pandemic that has rather been a long-term solution for cashless payments. One should also consider target age groups when using Venmo due to the platform being frequented by younger demographics with a device capable of downloading an app.

More info at: www.venmo.com

Uncommon Ecommerce Platforms in Kentucky

	GECROWNBY	FOOD4ALL	ECWID	TOAST
Typical Use	CSA, online stores, farm market vendors	online stores	online stores	restaurant orders, online stores, storefronts
Price Range	<ul style="list-style-type: none"> - no monthly or yearly fee - 2% co-op fee per online payment - 2.9% credit card processing fee - free offline payment - \$.30 credit card fee to defray farmer costs 	<ul style="list-style-type: none"> - no monthly or yearly fee - 2.9% +\$.30 fee for credit cards - .05% fee on deposits into seller account - no fee for checks - 2.5% + \$.95 fee capped at \$9.95 for Community Supported Software fee (buyer pays this fee) 	<ul style="list-style-type: none"> - monthly plan \$0-82 - no transaction fee, but third parties through Ecwid like PayPal may charge a fee 	<ul style="list-style-type: none"> - monthly plan \$0-165 - transaction and processing fees vary based on plan
Data	yes	yes	yes	yes
Inventory	yes	yes	yes	yes
Online Presence	yes	yes	yes	yes
Customer Service	yes	yes	varies by plan	yes
Time Commitment	varies	varies	varies	varies
Convenience	depends on business type	depends on business type	high	depends on business type

Grower Comments

Grownby

Grownby is an ecommerce platform that was created for farmers by farmers. The platform is like many online stores, where the customer will select their desired products, proceed to checkout, pay, and then the business will fill the order for pick-up. This can be done online or on the app. The platform is very customizable, so it will be adaptative to unforeseen changes businesses may face. Grownby's customer service has been recognized through a National CSA Survey. They are available by email and videocall for any troubleshooting or even to help with initial online store setup.

More info at: <https://grownby.app>

Food4All

Food4All is a unique user experience, as they provide a farm-only related ecommerce platform. Upon consulting with Food4All, they will help you establish your online store and provide advice on marketing. The customer base is different as anyone can purchase from your online store with your store link, but they have a hub that connects you to local buyers through your zip code. The platform is proud to connect sellers with customers who are in search of a steady one-on-one connection with their producers. The platform can be used for stores, those just wanting to sell online, and by farm market vendors. Sellers are not charged to use the platform but are charged a transaction fee for credit cards.

More info at: <https://www.food4all.com/farmers-markets-food-hubs/>

Ecwid

Ecwid's platform is likened to some already heavily used Kentucky ecommerce platforms like Square and Shopify. Notable selling points for this platform include quick online store establishment and the ability to add an online store to an existing website which could be helpful to many Kentucky producers. Like other platforms, depending on the complexity of your design and features, the price will vary.

More info at: [ohttps://www.ecwid.com/](https://www.ecwid.com/)

Toast

Toast has been making waves in ecommerce use in Kentucky, mainly with agri-businesses that include restaurant features and commercial kitchens. Toast offers easy ways to take orders both online and in-person. The startup costs exceed many of the other platforms mentioned, but if you are an established business doing daily orders for a restaurant or concession stand, this platform could be a great way to upgrade your business. Several Kentucky producers with agritourism destinations and businesses that include dining options have this platform on their radar.

More info at: <https://pos.toasttab.com/>

into their businesses. It should be noted that convenience is often based on features of the business, as many of these platforms have multiple use capacities. Some examples of use capacities are online stores where users can shop, pay, and arrange pick-up/shipping, farm market vendor spaces where multiple vendors set up in a community space, or long-term storefronts, whether that be on the farm or at a secondary location.

Conclusion

The ecommerce platforms available in the market are endless; however, it is often difficult to match the needs of generalized platforms to the diverse needs of agri-businesses. Most agribusinesses are created, owned, and managed by families, so the need for easy-to-access online management is a necessity when implementing platforms. Square was of the most popular ecommerce platforms used in Kentucky and offered enough variability for use in several different business settings. It should be noted that there are other common and uncommon platforms that have the potential to meet the needs of many producers' operations. The use of ecommerce platforms has become an essential part of running an agri-business. A definite trend seen when discussing the platforms was the burden alleviated from owners with the use of platforms like Square, GoDaddy, and Shopify. These platforms helped them establish online stores, track inventory and customers, and provided them with data to help focus their marketing. It should not be a question of should one invest in an ecommerce platform, but rather which platform will be most fitting to invest in.

How Extension Can Help

The Extension Service's goal is to help producers. Extension provides a host of ways to take new or established agri-businesses to the next level. Here are some resources from Extension to help in decision-making processes:

Agriculture Economics Extension: <https://agecon.ca.uky.edu/extension>

Center For Crop Diversification (CCD): <https://www.uky.edu/ccd/>

Marketing For All: <https://www.uky.edu/ccd/marketing-all>

Additional Resources

CSA Innovation Network, *Farmer to Farmer Ecommerce platforms*: https://www.csainnovationnetwork.org/_files/ugd/658585_441c9ac98c95465fa2365f962cc72096.pdf

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