

Cultivating the omnichannel farmer

Smart agriculture suppliers are giving farmers what every consumer wants: a digital interface for speed and convenience and human interaction when they need it. Here's how they're doing it.

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When it comes to getting product information or making a purchase, farmers are like most people: they want the ability to consult with a human when they have specific questions or need context and subject-matter depth, and they want an easy-to-use digital interface when speed and convenience are essential, such as for stocking up on basic items or reordering familiar seed and crop protection. Today, however, most farmers aren't getting what they want.

A new McKinsey survey of more than 700 farmers across the United States reveals that the experiences offered by most agricultural providers, from precision software to seed and equipment, have not kept up with the times. While farmers typically use a combination of digital and physical channels in the course of their buying journeys, an inability to access the right expertise at the right time and limited mobile functionality have left many farmers dissatisfied.

Those issues are creating an opening for leaders in the industry as well as new entrants. From 2016 to 2018, more than twice the number of agriculture suppliers (greater than 30 across seed, chemicals, fertilizer, and equipment) started selling products online. Both digital start-ups and tech giants see the agriculture sector as underserved. With purchasing power shifting to younger digital natives as older farmers age out, these newer entrants are banking on a large potential customer base.

Yet established companies have significant advantages, including long-standing relationships and deep knowledge of the farming industry. With competition likely to intensify, they need to play to those strengths as they create the integrated omnichannel environment that farmers want.

When it comes to channels, farmers don't want either-or; they want both-and

Our data found that the majority of farmers use three distinct channels when researching, buying, and using agricultural products: the retail store,

in-person reps, and online channels. While some may rely more heavily on one channel than another as they move through the customer decision journey (CDJ)—for example, farmers in the Northeast prefer online ordering while those in the Midwest favor in-person sales—most toggle through some combination of brick-and-mortar, digital, and in-person options (Exhibit 1).

As they do, we find they are intentionally electing digital channels for some activities and human-led interactions for others. Our survey revealed a strong preference for digital channels during the initial-research stages of the CDJ, where they value “easy product comparison and easy search,” and the product-reordering stage, where “ease of ordering” is a top draw—the operative word being “easy” in each case. For these types of tasks, 45 percent of farmers say they prefer pure digital interactions to phone or face-to-face engagement.

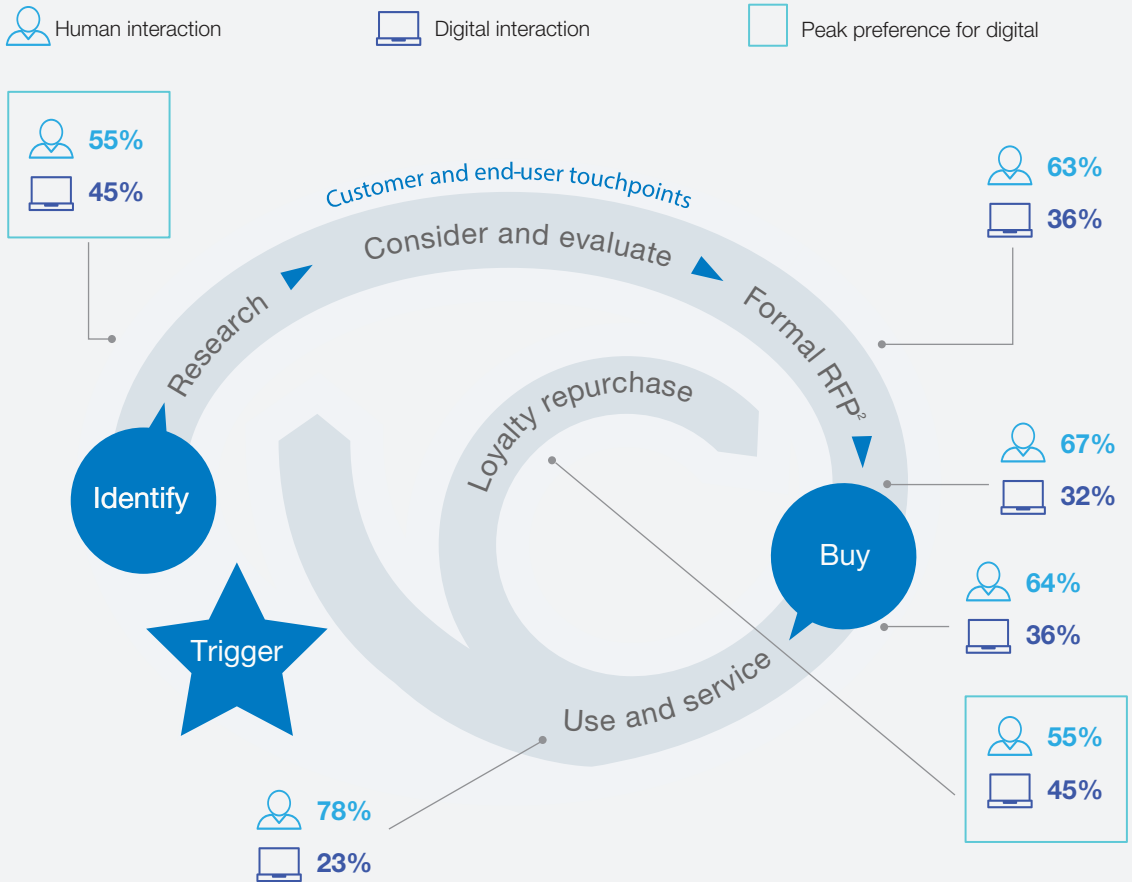
At the same time, human interactions remain crucial. Farmers value strong personal relationships with agriculture providers throughout the CDJ, but they especially look for personal contact at two key points: 67 percent of farmers turn to reps and dealers during the initial-purchase stage, and a sizable 78 percent prefer human over digital interactions when they have questions about a product's use and service.

The problem is that most agriculture-product providers aren't meeting farmers' needs over any of these channels, much less managing the transitions between them.

For instance, our data found that farmers are nine times more likely to trust in-person sales reps than a search result. But they find it frustrating when reps and dealers don't seem to know the particulars of the individual farmer's business, information that could readily be gleaned from past buying histories or insights from a specific farming region. Farmers also find

Exhibit 1 Preference for digital interaction peaks at the initial-research and repurchase phases of the CDJ but is important throughout.

Preference for in-person or voice versus digital interactions, % of farmers¹



¹ Answered somewhat or strongly prefer digital interaction to following survey question: In an ideal world, how would you interact with companies for each type of activity listed? Numbers may not sum to 100%, because of rounding.

² Request for proposal.

SOURCE: McKinsey Chemical & Agriculture Digital Customer Decision Journey Survey, 2018, United States only (n = 700)

it tedious when reps lack an adequate command of their own company’s products and have to get back to them on pricing, stock, and other information.

The biggest pain points for farmers all revolved around not having the right information at the moment of purchase: 50 percent said pricing wasn’t

available, 41 percent said they couldn’t easily compare products, and 36 percent couldn’t get needed product details. One farmer we surveyed said, “I wish the reps acted as an ongoing resource who knew more about my business and checked in periodically to see if I have any issues.” Another said reps and providers should “offer better pricing

and availability information without having to call in and get a sales pitch.” Quicker response times and better overall account management were other themes. Another farmer said, “Having a rep available 24/7 to help me place the order and provide accurate stock information would significantly improve my experience.”

On the digital front, farmers complain about clunky interfaces and the hassle of needing multiple devices to complete simple tasks. Our survey found that 56 percent of farmers under age 35 use a smartphone as part of the CDJ, while only 6 percent use a landline. Yet most rate the mobile apps that agriculture companies currently offer as “functional, but incomplete.” Issues include a lack of mobile optimization, with many agriculture companies rendering web pages and web assets primarily for desktop and laptop use.

Limited functionality is another complaint, especially compared with what farmers experience on other business-to-consumer mobile sites. Moreover, farmers say they would like to conduct more of their day-to-day business on just one streamlined device. Right now, they can’t. Our survey found that most have to use more than two devices—a combination of desktop, laptop, and mobile phone—to complete simple tasks (Exhibit 2).

In addition, farmers cite gaps that no channel is adequately meeting. Chief among them is getting easy, regular access to credible and unbiased research. Our survey found that 52 percent distrust information from online search returns. Only 19 percent of farmers turn to agriculture-company websites for product expertise, and just 9 percent use online sources for custom recommendations.

With many reps and dealers serving as generalists, farmers are often left to rely on trade shows for news of leading innovations and agriculture practices, which requires them to sift pertinent insights from promotional spin. What they’d prefer is expanded

access to agronomists, product specialists, and sales reps with the requisite expertise. If apps were materially better and made information more accessible, we believe digital adoption would likely be much greater.

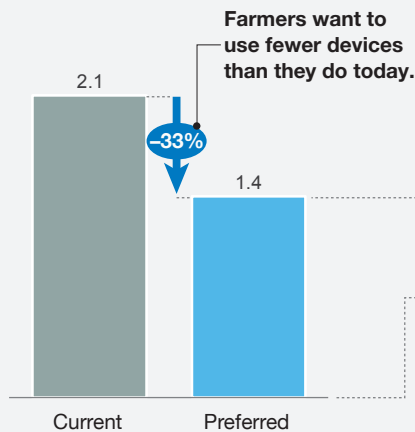
No longer a nice-to-have, digital engagement will be key to sales growth

About 25 percent of farmers in our survey indicated they have used online channels for agricultural purchases. That share is likely to rise for three reasons:

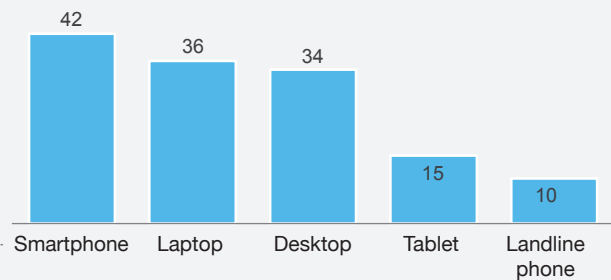
- Younger buyers favor digital channels, and this demographic will command greater purchasing power in the years ahead as older farmers retire. More than one-quarter of buyers aged 35 and younger purchase agricultural products online today, more than any other age band, and nearly 60 percent say that online ordering will be their preferred route going forward.
- Online channels tend to attract greater loyalty. Our data show that farmers who buy online tend to stick with that channel over other options. Fewer than one-third of farmers who buy online later decide to buy from physical channels as well.
- Nonusers today are likely to become users tomorrow. As many as 45 percent of farmers who don’t currently use online channels say they’re open to doing so in the future. Of these respondents, 56 percent say they would buy more than half of their seed online if buying from a known brand, while 44 percent say they would buy the majority of their seed online if they could get the lowest price. Given the value at stake, trust is key: 41 percent of farmers say they would need a performance guarantee from online purveyors, and 34 percent say that they’d be more open to buying online if they had an agronomist’s recommendation.

Exhibit 2 Farmers currently use multiple devices to research and buy products.

Average number of devices used by farmers¹



Preferred device to research and purchase products, % of farmers²



In today's world, farmers are not able to accomplish everything they want to do with only a smartphone, laptop, or desktop, so they are forced to use multiple devices.

¹Survey question: Which of the following devices do you currently use while researching and purchasing agricultural products?

²Survey question: In an ideal world where you could find exactly what you needed on any device, which would you prefer to use to make decisions about which agricultural products to purchase?

SOURCE: McKinsey Chemical & Agriculture Digital Customer Decision Journey Survey, 2018, United States only (n = 700)

Providers that build the right digital experience now will be in a strong position to capture a growing share of the buying audience.

How ag companies can win

Agriculture-product companies have an opportunity to provide compelling buying experiences, aligning online and offline touchpoints across the CDJ, based on farmer needs and preferences. Here are five things they need to do to make that happen:

Prioritize investment in the stages of the CDJ that matter. Agriculture companies need to deeply understand high-value buyers and their decision-journey preferences and prioritize the stages that matter. Tech-focused growers' wants and needs will vary significantly from those of small growers. Providers then need to set a clear aspiration for what they're trying to accomplish with each buyer

segment, be it growing the base, driving retention, or breaking into a market they've had a hard time attracting. Homing in on what matters requires road testing ideas with actual customers and spending time in the field. Ag companies can then act on those insights using rapid test-and-learn practices to find out where digital enablement and human engagement can have the biggest impact.

Solve for a single delivery platform, leading with the smartphone. As the quality of digital experiences improves, farmers are increasingly likely to favor digital over human engagement for basic interactions. Airlines, for instance, have significantly scaled back agents at check-in, as banks have done with tellers. Mobile is likely to be the device of choice for most interactions: 59 percent of farmers use their smartphone to research and purchase products from suppliers,

and 42 percent say they prefer smartphones to other devices. Agriculture companies will need to address pain points that include poor mobile page rendering, limited functionality, and choppy navigation. Insights from the CDJ can help agriculture companies rethink the mobile experience as well. Best-in-class B2B mobile sites suggest quick wins. These include inserting an always-visible menu to enable easy site search and navigation, placing a convenient store-locator button in the main header, and enabling site-search filtering to improve information discovery.

Free up human sales reps to focus on higher-value engagement. Better automation and “smarter” tools can allow field reps to focus on high-touch outreach, reducing the amount of time needed to access information and giving sales reps more time with farmers. Many agriculture companies have made investments in these areas. Now they need to connect the dots. Superior data integration, analytics, and dashboards can give field and phone reps easy visibility into product, pricing, and inventory information so they can serve as a one-stop resource for farmers. Agriculture providers need to think about the CDJ in an integrated way, using human sales reps to plug gaps and add value in ways that digital means can’t readily replicate. Experimentation is necessary but so is rigorous performance measurement to allow companies to gain critical feedback and cycle it through to their product-development and customer-care teams. Few organizations in the agriculture sector use net promoter scores to monitor customer satisfaction in a consistent and ongoing way. But those scores can be a helpful way to systematize feedback.

Build trust with growers. Agriculture companies need to make unbiased sources of information more easily and widely available. Basics include sharing customer reviews in product listings and linking out to independent research. But leading ag companies will go further. Opportunities include bringing trusted people into trials, creating digital

knowledge hubs with expert resources, offering webinars with leading agronomists, and setting up a member portal where farmers can ask questions. To be seen as a credible business partner, agriculture companies need to make sure farmers get the information they need to support their purchases on a consistent, reliable, and ongoing basis.

Rethink talent and capabilities. Delivering on the preceding recommendations will require agriculture companies to build capabilities that will allow smoother handoffs and account coordination across roles and channels. That includes considering what sales profiles and attributes frontline and inside sales personnel will need and adjusting hiring, training, and development practices accordingly. As digital and physical channels work more harmoniously together, some tasks and roles may become redundant and others may need to be added. Many companies will also need to shore up their data-science and digital-marketing skills. Such talent is often in high demand, so organizations will need to think resourcefully about the best ways to attract and retain needed skills.



Like consumers everywhere, farmers want their vendors and partners to make things easier. While leaders in the space and a bevy of ag-tech start-ups work to create richer digital experiences, the players who create the most rewarding experiences, both online and off, will reap the biggest harvest. ■

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