Balancing Commercial Viability and Community Expectations in Agri-retail

Kellogg Rural Leadership Programme | Course 55 - 2026
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EXECUTIVE SUMMARY

Agricultural rural retail (Agri-retail) in New Zealand is undergoing a significant transformation. Advancements in digital commerce, artificial intelligence, and supply chain evolution are changing how Agri-retail operates. Business mergers and acquisitions, evolving customer expectations and precision-focused growth in agriculture are reshaping how Agri-retail modernises to stay relevant. At the same time, rural communities continue to value trusted relationships, local expertise and community presence, creating the challenge of balancing commercial viability with community expectations.

The research explored the question:

Which strategic capabilities and leadership approaches help Agri-retail businesses adapt to sector change while balancing commercial viability with the expectations of rural communities?

The study used a variety of methods to conduct the research, including literature reviews, expert interviews, and a national survey of rural consumers to analyse current industry dynamics and evaluate consumer receptivity toward emerging business models. The findings were analysed through four intersecting pillars which emerged from the research – Community (presence), Relationships (trust), Viability (sustainability) and Leadership (adaptation).

Community – The findings confirmed that beyond transactional spending, Agri-retail exhibits a supportive role within rural communities. Customers value knowledgeable staff, trusted advice and a sense of connection acquired through interacting with their store. For many rural communities, the store is a gathering place that enables social interaction, well-being, and local identity. While community involvement was not the primary reason customers chose to transact at their preferred business, it highlighted the importance of presence, relationships and support.

Relationships – One of the major themes that emerged from the research was the relationships held between customers and the industry. Showing the close ties to consumer spending and what they value in interactions with their Agri-retailer, turning a social benefit into a commercial asset. Creating connections through trust, communication, service and invested interests. Showing that customers are willing to accept change within a business model if the preservation of trust, service quality and local connection are maintained. Highlighting the importance of retaining key staff and protecting relationship capital in times of change.

Viability - Future commercial viability depends on transformation. Essentially, to be able to evolve alongside external factors while utilising technology advancements to streamline towards a unified commerce service. Businesses are responding by evolving store formats, modernising supply chains, and integrating digital ecosystems. However, efficiency gains need to be carefully balanced against the potential loss of community connection and customer trust. While the study identified digital commerce integration and logistics modernisation as core drivers of sustainable growth within Agri-retail. The rise of service-led conventional parcel tracking systems has also shifted customer expectations across all industries, including bulk freight. The participants appeared less frustrated by the occasional delays themselves but more frustrated by the lack of information about them. Digital solutions were most favourable when enhancing existing relationships rather than replacing them. Likewise, freight performance was found to influence customer experience, trust and loyalty, making logistics a strategic capability rather than a simple supply function.

Leadership – The coordinating influence that enables organisations to balance the interconnecting pillars of community, relationships and viability was comprehended to be effective leadership. It was found to be critical in business advancement, effective communication and maintaining stakeholder confidence. Participants highlighted the importance of transparent, two-way communication, especially during network change, closure and service improvements. The research has shown that customer resistance is less aimed at changing itself and is often directed more at how the change is communicated and managed. Without strong leadership, the other three pillars become increasingly difficult to sustain.

The study concludes that the future sustainability of Agri-retail does not depend on just one factor. Instead, lasting achievement is based on balancing the interconnected pillars. Competitive advantage increasingly lies in an organisation's ability to retain expertise, communicate effectively, maintain trust and remain connected to the communities it serves.

The challenge for future Agri-retail leaders is not choosing between commercial competence and community presence but developing business models that successfully deliver both.

GLOSSARY

Term	Meaning
Agri-retail	Businesses that supply products, services, technical advice and support to farmers and rural customers
Agtech	Technology associated with agriculture, including digital, automation, sensors, robotics, artificial intelligence, and data analytics, is used to improve farming productivity and decision-making.
Community Infrastructure	Facilities and services that support the social, economic and well-being needs of a community.
Customer Retention	The ability of a business to maintain ongoing relationships and repeat business with existing customers over time.
Digital Commerce	The buying and selling of goods and services through online platforms and digital technologies.
Genome	The complete set of genetic information within an organism that determines its growth, development and biological characteristics.
High-Tech Mechanisation	The use of advanced technologies such as robotics, artificial intelligence, sensors and automation to improve productivity, accuracy and efficiency.
Hybrid Retail Model	A retail approach that combines physical stores, digital channels and service-based interactions to meet customer needs.
Network Optimisation	The process of improving the efficiency and effectiveness of a business's store, distribution or service network.
Omni-Channel Retail	An integrated retail method that combines physical stores, online platforms and mobile technology to provide a seamless customer experience across all channels. It allows customers to move between digital and physical interactions with consistent service and information.
Relationship Marketing	A business strategy focused on building long-term customer relationships, trust and loyalty rather than concentrating solely on individual transactions. The objective is to increase customer retention, repeat business and customer lifetime value.
Rural Resilience	The ability of rural communities, businesses and individuals to adapt, recover and continue operating through economic, environmental or social challenges.
Social Capital	The networks, relationships, trust and shared values that enable individuals, organisations and communities to work together effectively for mutual benefit. It can be known as the social glue that strengthens cooperation, information sharing and support.
Standard Mechanisation	The use of machinery and equipment to replace manual labour and improve productivity and efficiency.
Supply Chain	The network of organisations, processes and infrastructure involved in sourcing, transporting, storing and delivering products to customers.
Two-Way Communication	A communication approach that allows information to flow between organisations and stakeholders, enabling feedback, discussion and engagement.
Value Proposition	The unique combination of products, services and benefits offered by a business to create value for its customers.
Viability	The ability of a business to remain financially sustainable, operationally effective and competitive over the long term.

ACKNOWLEDGEMENTS

Programme provider recognition

I would first and foremost like to thank Rural Leaders for accepting my application into the 2026 Kellogg Rural Leadership Programme. The programme had been on my radar for many years as a significant step in my personal and professional development, and I am grateful that this was finally the right time to pursue it. Previous scholars I had spoken with consistently highlighted the programme's ability to foster growth, broaden perspectives and deepen industry understanding. The calibre of programme content and the topic experts attending created an environment of personal and professional growth, which was inevitable.

Thank you to Lincoln University for hosting and supporting the Kellogg programme alongside Rural Leaders. Access to university resources, including Qualtrics and the IT support team, was valuable in assisting both the research process and the completion of the course.

Employer recognition

To my employer, Farmlands, I would like to express my gratitude for the flexibility you have given me while I have been completing this course. I truly appreciate the accommodation of the programme schedule, which allowed me to focus on my development throughout the programme.

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Last, and certainly not least, are the pillars of support always in my corner - my husband, children and parents. I am incredibly grateful for your encouragement, patience and unwavering belief in me through this period.

Dan - Thank you for believing in me and supporting a long-awaited goal that has sat on the back burner for many years. Thank you for all the disrupted late nights, weekends, and plans reshuffled so I could make the most of the Kellogg experience.

Maisie and Hudson – Thank you for all your support when Mum has had to go away for phases and into the office to do "big kid school" work. Your colouring sessions with highlighters on the floor beside me made even the hardest parts worth it.

Mum and Dad - with what felt like perfectly timed retirement and injury recovery periods. Thank you for stepping in to help keep home life and routines running while I attended the on-site phases of the programme. Most importantly, thank you for always believing in the dreams and growth I saw possible for myself, and for helping to make this opportunity a reality.

AIM

This project examines the cohesion between the New Zealand rural Agri-retail sector and rural communities. Exploring which strategic capabilities and leadership decisions help Agri-retail businesses navigate sector change while preserving commercial sustainability and honouring their long-standing role within rural communities.

INTRODUCTION

Change has always been part of business, but today it comes at a pace that can feel relentless. For consumers, this often sparks uncertainty, resistance, and distrust. For leaders, it creates a pivotal test: can you turn disruption into momentum?

Agricultural rural retail (Agri-retail) in New Zealand cannot be easily categorised as being in a growth or a decline state. Instead, the Agri-retail industry is increasingly required to adapt and readjust. Agri-retailers operate alongside highly cyclical farming systems, experiencing the same peaks and troughs as the farmers. These undulations affecting farming performance are closely linked with Agri-retail performance due to their symbiosis, intensifying impacts on profitability and operational stability. Customers see the support and expertise from Agri-retail businesses as essential during these times, building lasting relationships.

Agriculture and Agri-retail are both undergoing significant evolutionary and structural change. As a result, the retail industry has fundamentally shifted away from physical expansion towards strategic adaptation and operational optimisation. While business efficiency and network optimisation drive core transformations, rural communities continue to value local presence, accessibility, relationships and service.

While many Agri-retail businesses may appear active and financially successful during favourable farming cycles, this does not always translate into sustainable long-term profitability. With the unique position Agri-retail has in rural New Zealand, operating both as a commercial enterprise and a key support network with farming communities. As the drive to withstand disruption and to remain commercially viable continues, the ability to balance community expectations is becoming a major challenge - maintaining the relationship-based, revered organisations of today.

METHOD

This project was undertaken with human ethics approval via Lincoln University and the Kellogg Rural Leadership Programme. All interview and survey questions were peer-reviewed before distribution. Copies of the interview guides and survey questions are provided in the appendices (Appendix A). Participation in both the survey and interviews was voluntary, with participants providing informed consent prior to taking part. To protect privacy and encourage open opinions, all survey participants and interviewees were treated confidentially and reported on anonymously.

Literature review

Literature reviews were conducted throughout the research and analysis phases via a combination of academic literature and industry-based online sources. Due to the limited availability of literature directly addressing the balance between commercial viability and community expectations in Agri-retail, the review incorporated related themes, including customer relationships, supply chain efficiencies, rural communities, and business adaptation to change. This broader approach to the research provided context and supporting insights for the findings and analysis.

Semi-Structured Interviews

Semi-structured interviews were undertaken to gather perspectives from individuals with experience and knowledge of the retail sector. The Interview structure provided consistency across key discussion topics while allowing participants to expand flexibly on issues relevant to their experience and business model.

Two interview guides were produced. One targeted the Agri-retail sector, while the second targeted businesses operating in rural communities of New Zealand, including supermarkets, fuel retailers, hospitality businesses, and clothing retailers. Interview topics were aligned with the client survey to enable comparison between customer and industry perspectives.

Interview invitations were distributed via email and professional networks, including LinkedIn.

Online Surveys

Client Survey

An online survey was developed using Qualtrics to capture the perspectives and experiences of people living and working within New Zealand communities. The survey was distributed through Facebook, Instagram, and industry networks. To achieve geographically diverse representation, the distribution focused on rural community groups throughout New Zealand. The survey spanned more than forty community groups, providing access to participants across a range of regions and farming sectors. Additional exposure was obtained through targeted social media promotion to increase community reach.

The survey consisted of questions answerable through multiple-choice, rating scales, or open-text fields. Demographic information was also collected to support analysis and aid in the interpretation of results.

Cross-Industry Survey

To encourage participation from individuals unable to commit to an interview, the interview questions were adapted into an online Qualtrics format. This provided an alternative format for collecting perspectives from businesses operating in rural communities, hoping to enable additional insight into the wider range of industry perceptions.

Qualitative analysis

Qualitative thematic analysis was undertaken throughout the research process. Interview data, survey responses, literature, and industry observations were assessed to identify recurring themes, emerging patterns, and areas of alignment or difference.

Attention was given to customer relationships, community expectations, business viability, and strategic adaptation. Findings from each group were collated and aligned into common themes, resulting in a four-pillar concept used throughout the findings and discussion sections.

Industry articles and reports were critically assessed for relevance, credibility, and alignment with observed trends within the New Zealand rural retail sector.

FINDINGS AND ANALYSIS

The findings and analysis of the research were structured around four interconnecting themes identified consistently across the literature review, survey responses, and semi-structured interviews. These themes – Relationships, Community, Viability and Leadership – emerged as the core pillars exuding how rural Agri-retail businesses and communities align (Figure 1). By organising the findings within these pillars, the data was aligned into common themes while also identifying areas of alignment, strain, and evolving challenges across the sector.

Figure 1: Symbolism of the four interconnected core pillars influencing rural Agri-retail businesses and communities

Although each pillar is discussed individually, strong connections exist between them throughout the research. Leadership capability repeatedly occurred as a key factor influencing how businesses balance commercial viability with relationship management and community expectations.

RELATIONSHIPS = TRUST

Customer loyalty in Agri-retail was repeatedly linked by survey participants as not only price, product availability, or location being reasons to choose a preferred store, but also aiding in strengthening a trusted relationship. Participants across the agricultural industry demonstrated that when relationships are strong, they are more willing to tolerate supply disruptions, operational issues, or price variation. This tolerance appeared to arise from the perception that the business is supporting them not only commercially, but also personally and within the wider rural environment.

The findings identify that Agri-businesses are valued not just as transactional suppliers, but as relationship-led organisations where trust and communication have become a commercial asset.

Change Adoption

I can only assume that historically, for agricultural practices or technology, change has never been an easy concept to grasp. Every stage of evolutionary advancement meets the same contention regarding purpose, value, and relevance. Change adoption can be described using a bell curve to visualise the psychological adoption of change (Conway & Conway, 2024), showing how adoption rates of new technology are distributed through a population over time (Figure 2)

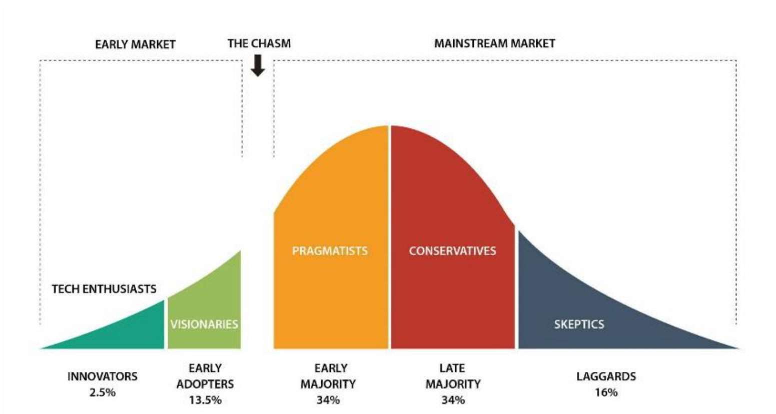

Figure 2: Bell curve of farming method changes, adopters, and how the impact of sales or process can be impacted by adoption commitment (Conway & Conway, 2024)

The bell curve shows how, after the Agtech enthusiasts adopt a concept, there is a 'chasm' representing the societal lag between the early adopters and the early majority. In which the rest of the population is waiting to see the results before implementing the change themselves. Once the wider industry becomes confident that the change provides genuine benefit to their operation, adoption then accelerates across the curve. A quote via Hopkins on the uptake of adopters and when change is seen in mass on farm: "The bottleneck is not technology. It is trust, simplicity, and a clear path to value," he explained. He believes adoption will soar when farmers experience integrated, reliable systems. "Once everything connects and works every day, adoption will take off like a rocket." (Hopkins M, 2026). A key example of this is the New Zealand cattle industry, via the increased adoption of wearable technology such as cow collars. To improve farm efficiencies, research has found that around one in five dairy farms now utilise this resource (DairyNZ, 2025).

Trust-based Loyalty

Client survey participants valued a sense of connection to the local community, a feeling of belonging, and familiarity with the store (Figure 3). One respondent reflected this by stating: "Going in store and talking to the staff helps me make the right decisions for my needs. There are times when it is tough going financially and emotionally and having someone to talk to and get feedback from is such a vital experience that I truly appreciate and at times find them the only source of understanding" (survey respondent A). Within Agri-retail environments, leadership decisions can strengthen or erode trust.

This aligns closely with Claridge, who states: "Social capital can be destroyed much more easily and rapidly than it can be created. One serious misjudgement can undermine long periods of trust-building, destroying an individual's or even a community's reputation. Often, the effect on social capital results from how an action is interpreted. An action may be well-meaning but could be interpreted as negative. All actions and events are signals that affect social capital." (Claridge, 2024).

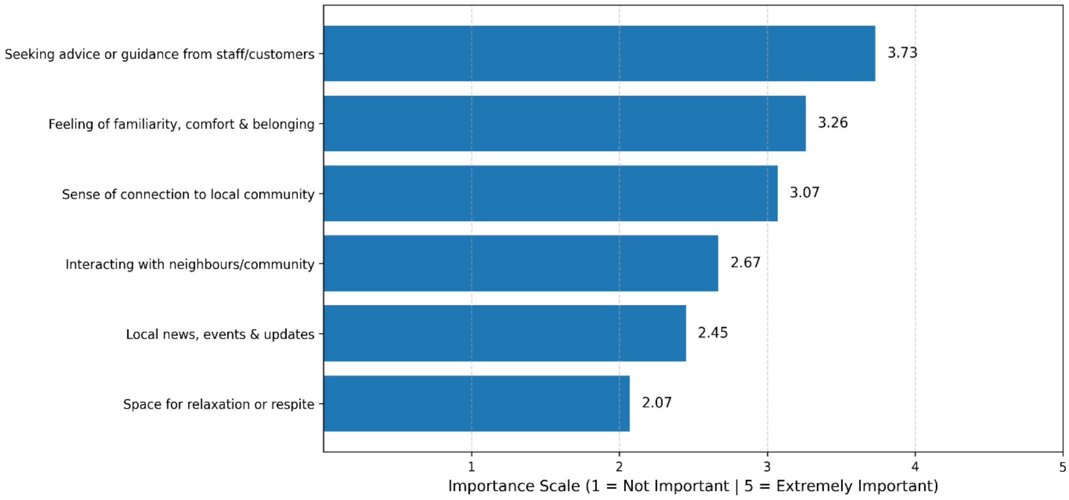

Figure 2: What participants consider to be of importance aside from the purchasing transaction within Agri-retail

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Customer Relationships

Throughout the literature, interviews, and survey responses, the principles were consistently evident, aligning with a business strategy known as relationship marketing. The focus of this strategy is aligned with developing long-term emotional customer relationships. Built on trust, familiarity, and understanding, not on completing a one-off transaction. The findings imply that Agri-retail businesses operate far closer to relationship marketing models than purely transactional ones throughout New Zealand (Figure 4).

Figure 3: Comparison of transactional and relationship business strategy

While transactional marketing focuses on new customers and generating sales, it has a very short-term focus with minimal client engagement. Quick sales, high volume, and reduced staff interaction requirements turn into quick cash flow. It often leads to a lack of brand loyalty and is very price-driven. One participant captured the emotional significance of their relationship with their store of choice by stating: "Farming is hard work financially, emotionally, physically, and with a young family, it takes its toll. Having compassionate and supportive members of staff has been invaluable many times" (Survey respondent A).

The findings show that relationships extend beyond understanding the client's commercial farming operations. But, into a personalised service where knowing and understanding what is happening currently on the farm, what has happened historically, and where they want to grow in the future improves the experience and connection. By creating a hyper-personalised service, businesses can create a trusted partnership that is often a competitive advantage by understanding the client's personal information - family details, hobbies or milestones - causing an emotional connection, developing genuine kinship and more sales as an offset. One participant explained: "The advice, personal approach and willingness to help source the right product help support continued purchasing from this supplier." (Survey respondent B). Showing that the ability to personalise support and tailor solutions to the requirements of each customer was repeatedly identified in the research as a competitive advantage that is not easy to achieve successfully.

Survey participants were also asked why they shop with their preferred supplier by ranking the importance of factors influencing their decision (Figure 5). The findings show that location and physical accessibility ranked right alongside each other in importance to trust and supplier reputation. Knowledgeable and helpful staff also scored strongly across respondents, showing that the value of service and expertise is a key driver for loyalty. One participant reflected this strongly by stating: "A lot of times, we farmers don't get out and about to talk with neighbours or know how others in the local area are faring. The local store and reps are very important in doing the communication connections because often throughout the season, and especially when the season is very hectic, we race to town, get groceries and supplies, and head home again. Often, the farm store people are the first point of contact outside of the farm, so it is great to know how other farmers are finding things simply because we are under the pump and don't get a chance to catch up with locals" (survey respondent C).

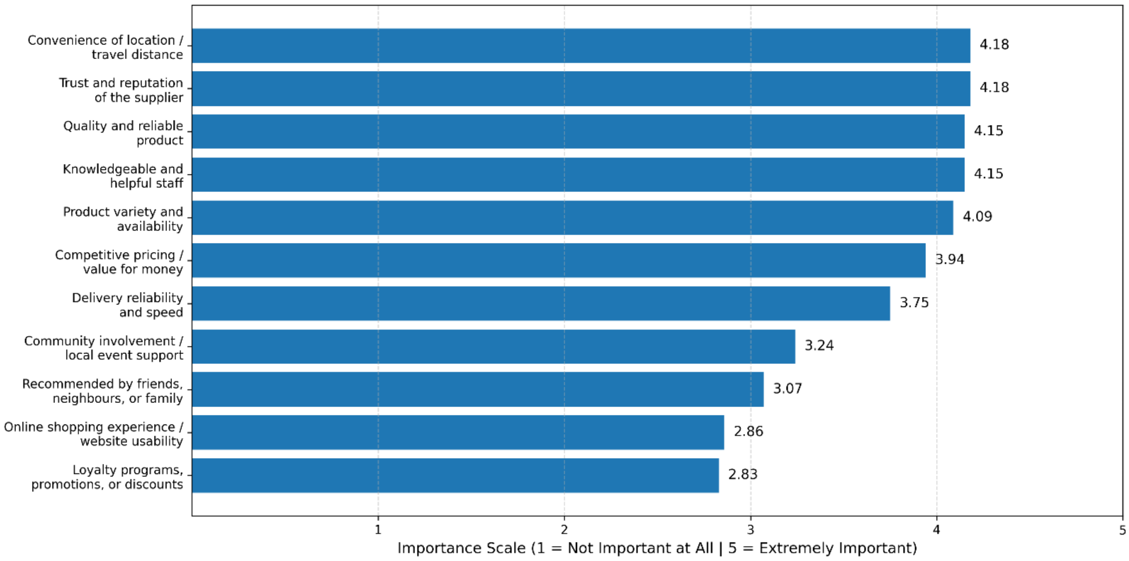

Figure 4: Key factors influencing why the survey participants chose their preferred supplier

Simon Sinek explains how the importance of a relationship can benefit a business: "Customers stay because they know your good people fundamentally, you have their backs, and you're going to try for them. It's the relationship that customers want to keep doing business with you — even if it's a higher price and even if you screw up now and then." (Sinek, 2023). Research on New Zealand Agri-retail indicates this, highlighting relationship building as an industry strength. These relationships are built through on-farm visits, trusted advice, local knowledge, and interactions customers have with staff both in store and across the wider business. Understanding that the client's farming business is often more than a source of income, but a lifestyle and way of life built around caring for animals, the environment and the people flanking them, creating a deeper level of trust between customers and vendors.

The findings suggest that these relationships are not purely a customer service function; they are a critical business asset. While pricing, products, and convenience can be replicated by competitors, trusted relationships are much harder to replace. As businesses continue to face increasing pressure to adapt and evolve, the ability to protect relationship capital may become one of the most important factors influencing long-term success.

Effective Communication

Communication emerged as a critical factor influencing both customer relationships and perceptions to secure organisational trust. Studied Agri-retail businesses were analysed, and it was shown that their communication lines were strong in the main business channels – phone support, company website, on-farm support, social media, and campaigns. The client's participation responses to store closures, transformation, logistics, and freight communication from their preferred suppliers were lacking.

A section of the client survey focused on store closures over the last ten years and the perceived communication that participants received surrounding those closures. One question asked if the communication relating to the closure was inadequate. After excluding participants who were redirected for irrelevance or were unsure, 80% of survey responses indicated that it was inadequate. With an even split of 40% not satisfied as unclear or too late, and 40% were somewhat satisfied, but the information could have been better. Suggesting that there may have been vast gaps or misconceptions around the reasons for the closure and how the business intended to continue servicing the region post-closure.

Participants also indicated (non-relevance excluded) that the communication they received relating to the closures was mostly through store staff or social media, rather than directly from the supplier itself. While the findings show communication was generally lacking, the research did not specifically ask participants what exact information they thought was missing. So, further assumptions cannot be made regarding the precise details they expected to receive.

One respondent explained what they believed could have improved the communication process: "Rung or called in to advise of the closure and asked how we will cope" (Survey respondent A). This contributor stated the importance of the messaging required by the business and the perceptions created from the lack of communication and follow-up discussion. If clear communication had come directly from the business, it could have aided open communication to understand the effects the change could create, supporting the requirement to uphold relationships and trust. Client contribution research suggested that communication needs to shift from one-way information delivery to a collaborative two-way engagement approach. This is because the organisational messaging is being interpreted not just as organisational messaging but also as a gesture of respect, commitment, and long-term intent toward the communities being served.

Common themes from client participation include:

- Ensuring internal staff are informed early so messaging is consistent.
- Engaging with affected stakeholders before public announcements, where possible.
- Explaining not only what is changing, but more importantly, why it is occurring.
- Showing empathy to all
- Collecting and responding to feedback on time.

Survey participants were generally supportive of businesses adapting their models, provided key elements such as product availability, service levels, and convenience remained the same (Figure 6). Most respondents said they would either continue transacting with their preferred store or consider the impact of the change on them before discontinuing their relationship with the company.

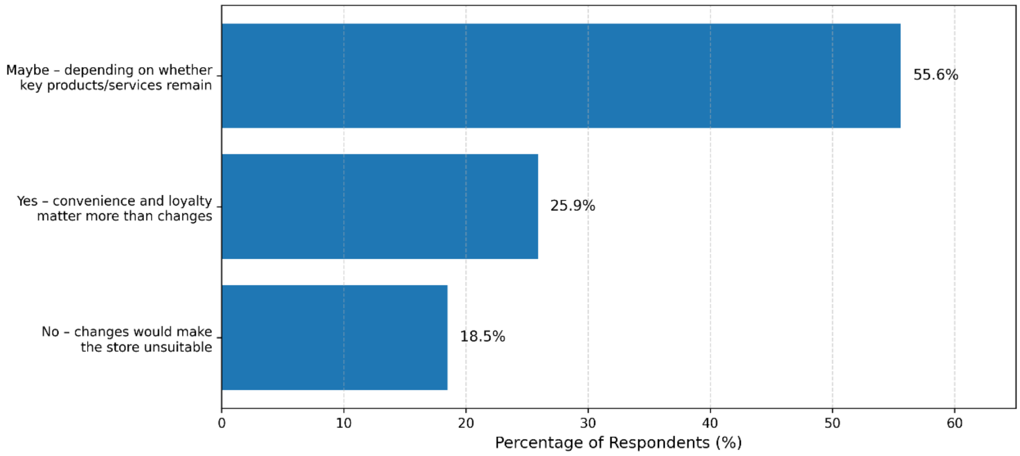

Figure 6: Participant responses as to whether they would continue to support their preferred store if the business model were to change, but the store remained operating in their town

The findings from this research suggest that customers may be more accepting of business and model changes if the core elements of the business are maintained through the remodel, rather than physical withdrawal from a location. By remodelling rather than divesting in a location, allowing clients to still be able to maintain access to core and last-minute products, services and local presence. Indicating that the business could adapt its footprint, allowing it to preserve customer support, relationships, and trust if the communication is handled correctly to explain the why and how the community will be affected by the change.

COMMUNITY = PRESENCE

The importance of community emerged as a constant theme across the literature reviews, survey responses, and interviews. The customer survey suggested that Agri-retail stores are more than transactional spaces or merchandise distribution sites. Instead, they have the perception of their regional support, familiarity, social connection, and community engagement. Recognising the support given through periods of hardship, whether it be due to weather, economic industry hardships, or a community upheaval, can strengthen trust in the associated staff and business.

However, research has highlighted the building tensions between this perception and operational demands. Businesses are having to calculate, formulate, and remodel to remain sustainable into the future. Meaning the current style of service model is being constrained. Restricting the ability to continue to support the community and remain financially successful. Recognising that rural communities often value face-to-face and locally grounded communication approaches more strongly than via email or post.

Social Store Value

While Figure 3 (pg. 9) has been discussed previously in relation to trust-based loyalty, the survey responses also show the importance of what their store of choice provides to their community. Aligning with wider research by Sociologylearners (2025) surrounding rural communities and their social connection: "Villages are often built around strong family ties, traditions, and cooperation. People know each other closely, and relationships are personal and long-lasting. Unlike in cities where people might not even know their neighbours, village life is deeply social. Events such as marriages, religious festivals, and collective farming activities bring people together and strengthen their sense of community." (Sociologylearners, 2025).

Findings from the customer survey also suggest that if the participant's preferred store were to close, the perceived impacts would extend past transactional inconvenience and into wellbeing and social connection spaces (Figure 7). The answers came back strongly relating increased travel time, financial implications, and broader well-being concerns to be taken into consideration.

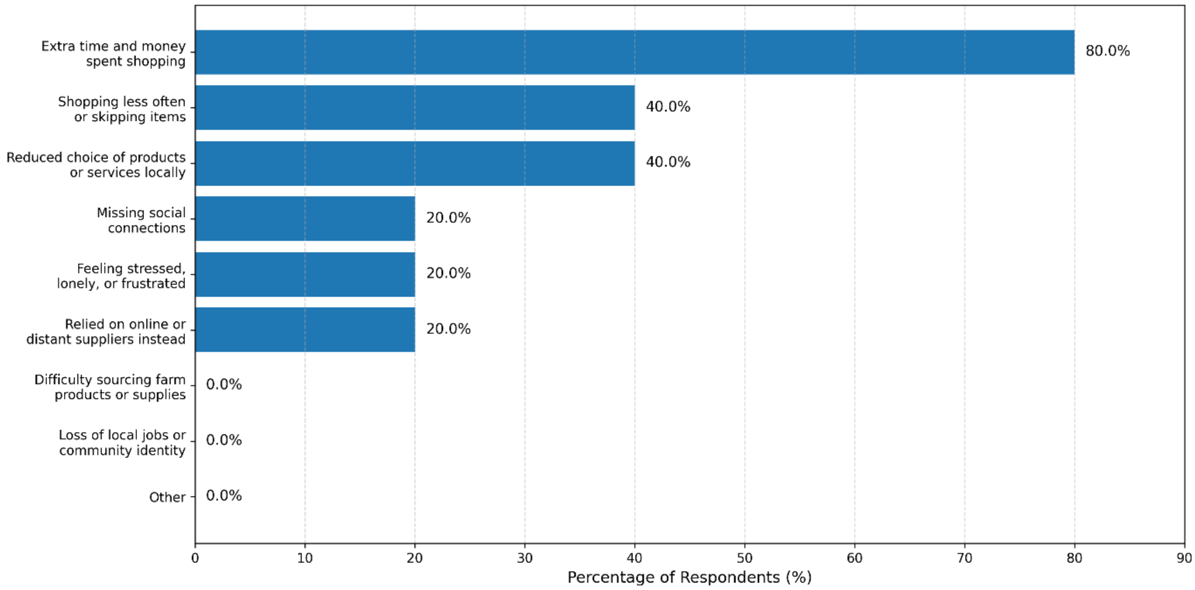

Figure 7: Participants' assumptions as to the effect on them should their preferred store close. (Participants were able to select all that applied)

The perception of these findings shows that 40% selected that it would cause them to shop less, which could mean clients come off the farm less and reduce social interaction. While 20% openly stated that they would be missing social interactions and feeling stressed, lonely, and frustrated, which has the potential for an increased level of social isolation and mental stress in an often already detached community.

Often, the farm store people are the first point of contact outside of the farm, so it is great to know how other farmers are finding things simply because we are under the pump and don't get a chance to catch up with locals" (Survey respondent C). Responses noted that the benefit of travelling into town and visiting a store is one of the few opportunities to come off the farm and interact away from the farm location. Suggesting that if the store location were to close and transactions became largely online, or distanced travel was necessary to reach a physical store, it could impact the farmer socially and economically. This reinforces the importance for suppliers transitioning their current business models to remain mindful of maintaining contact, interaction, and visibility throughout the change process.

Social capital within rural communities can be highly fragile, with trust and reputation eroded far more rapidly than they can be built and crucially rebuilt. This occurs because rural relationships are generally developed over long periods of time through repeated interactions, support, and commitment. Negative experiences, perceived issues, or poor service can spread quickly through smaller interconnected communities and social media channels, undermining confidence and trust in staff and the business. Therefore, if there is a perceived hardship, the ability to erode capital earned if it is not handled promptly or with the correct strategy in place could be catastrophic. At the same time, positive experiences can work in the opposite direction. Great service and business acumen were also discussed throughout the findings as being shared within communities. Helping strengthen customer loyalty, trust, and advocacy with the associated business.

What was evident, however, was that the relationships through staff and social connections within a community became the primary source of information sharing. This style of communication often leads to conjecture, misinformation, and speculation if official information is not being communicated effectively. Potentially damaging trust before, during, and after organisational change.

Physical Store Connection

With the rising operational costs of brick-and-mortar stores – including electricity, rent or mortgages and staff wages – the consolidation or closure of physical stores is becoming increasingly common across many retail sectors. Additionally, the impacted findings relating to operational restructuring, service reductions or store closures were often interpreted by communities as negative signals pertaining to commitment, presence and long-term support within the region. For some participants, these changes were perceived personally, not just commercially.

Research obtained from customers has also shown that store closures affect more than just the customer who would previously shop at the location. They can also affect the surrounding communities through staff layoffs, reduced foot traffic to neighbouring businesses and increasing commercial vacancy, changing the landscape and activity of rural towns. Agri-retail stores in small rural towns often carry a comparatively large footprint in their current brick-and-mortar locations with store and warehousing facilities. The impact of stores closing entirely could affect the survival of the town. The findings suggest from the client feedback that the value of a physical store goes beyond the products sold within it. For many rural communities, the store represents visibility, accessibility and an obvious commitment to their region. This highlights the challenge facing Agri-retail businesses as they seek to improve efficiency while maintaining community connection, requiring alternative ways to preserve local engagement and presence when physical footprints are reduced or removed.

Purpose-built community models were researched into how businesses deliberately position themselves in the community hub space (Table 1).

Table 1. Sourced information of retailers actively investing in the store's role as a social gathering point rather than simply a place of transaction

Organisation	Dedicated Community Space	Informal Gathering Space	Events Hosted in Store	Community Hub Positioning	Assessment
Farmlands (Farmlands, 2023)	✓	✓✓	✓✓✓	✓✓	Moderate
Farm Source (*Farm source*, 2019)	✓✓✓	✓✓✓	✓✓✓	✓✓✓	Strongest example
PGG Wrightson (PGG Wrightson, n.d)	Limited	✓	✓✓	Limited	Moderate-Low
Ruralco (*Ruralco*, 2024)	Limited	✓	✓✓	Limited	Moderate-Low

A noticeable difference has emerged when comparing organisations within the Agri-retail space. Farm Source appears to have invested more heavily in brick-and-mortar stores to contain dedicated spaces, while Farmlands is more aligned with offering community events and open days. PGG Wrightson and Ruralco appear to maintain a connection primarily through face-to-face service and support. Not often showing the physical connection included in their models, but hosted events appear to be a common factor for all. Research could not obtain the reasoning behind the strategic placement of the businesses, as to why each one is utilising a different strategy, but it shows that there is no single streamlined approach.

The findings suggest that while organisations differ in how they engage with their communities, all continue to invest in creating opportunities beyond the transaction. This shows that community connection does not necessarily rely on physical store footprints, but on the businesses' actions to integrate these steps to engage with the communities they serve. As Agri-retail evolves, businesses may look to maintain community trust and presence by adjusting how they connect with communities rather than relying exclusively on traditional store-based interactions.

Corporate Social Responsibility

Corporate social responsibility (CSR) refers to the ways businesses contribute to and support the wider communities in which they operate, beyond completing transactions and generating profit (Fernando, 2025).

CSR is commonly viewed across four core principles:

- Environmental Responsibility — Reducing environmental impact and waste.
- Social Responsibility — Supporting employees while fostering inclusion, safety and fairness.
- Community Engagement — Giving back to local communities.
- Ethical Governance — Leading with integrity and transparency.

Survey participants were asked what they would most like upheld within their communities if their preferred store were to change its model or close in the future (Figure 8). The findings strongly aligned with two CSR principles, particularly community engagement and social responsibility. A strong finding of 76.9% of participants signalled that maintaining sponsorship or supporting local events was the most important thing they wished to see continue.

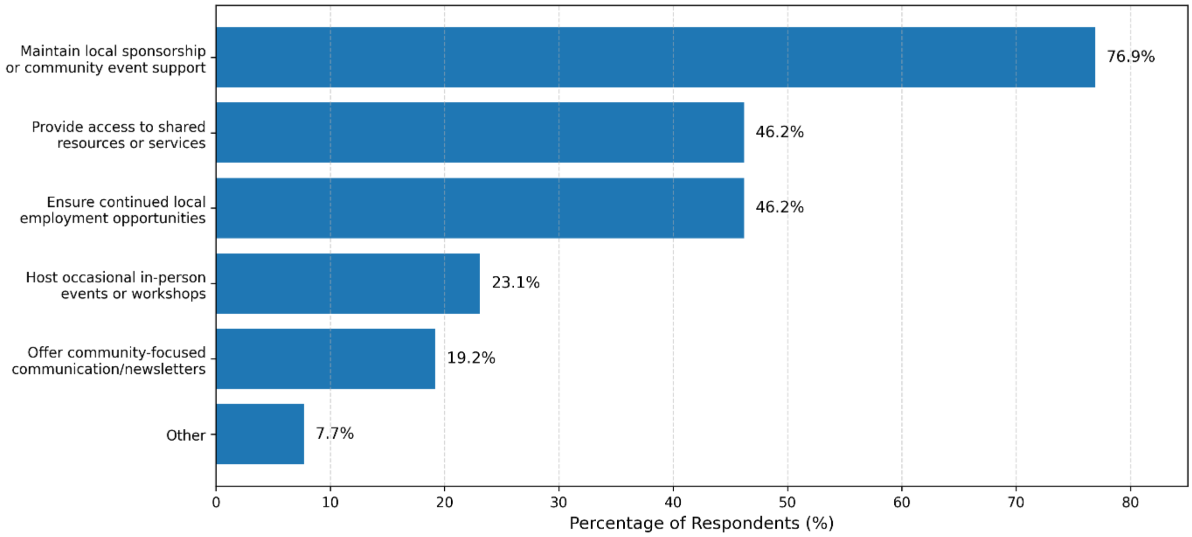

Figure 8. Importance participants placed on continued community support in their communities.

Nejati (2017) describes the significance of the local responsibility of supporting the community you reside within: "Business reputation has often been highlighted as an important non-financial performance measure. Consequently, by paying attention to the well-being of their stakeholders, small businesses are considered to enhance their reputation and achieve sustainable competitive advantage (Nejati et al., 2017), as cited by Suutari et al. 2023). Although it is not a financial expense that can be easily calculated, supporting a community in ways not linked to a transaction can benefit the business as a profit-making mechanism in the long term.

While many Agri-retail businesses have been found to still operate sponsorship application systems online through proposals and regional funding channels. Survey findings suggest participants place significant value on visible local-level support and community sponsorship activity. Not specifically contributing to a rural topic, but in support of the community and the people within it for schools, sports, and community projects, etc. Although this style of investment may not always create immediate financial return to the Agri-retailer, the findings suggest it contributes strongly towards trust, loyalty, and long-term community connection. Showing that "Doing good is good business" (Besser & Miller, 2001).

A common theme identified across organisations reviewed was that CSR, particularly through sponsorship and goodwill activity, is increasingly becoming part of broader organisational positioning and strategy (Appendix B). Findings suggest all the researched organisations consistently invest beyond transactions. By reinforcing the role that rural retailers play as social contributors alongside their commercial operations. Support commonly included national projects, sponsored regional events, rural resilience initiatives, health awareness campaigns, and physical community presence. Westland Milk Products provides an example where they have formalised their community investment within their broader organisational strategy (Westland Milk Products, 2022). Rather than relying on sponsorship activity, community investment has been incorporated into documented CSR objectives alongside environmental and employee well-being targets.

Across all organisations reviewed, community investments were consistently placed as part of the wider company strategies rather than standalone goodwill activities. Findings suggest that sponsorship, leadership development, wellbeing programs, and regional support through events are increasingly used to reinforce organisational identity. Aiding in community trust and maintaining long-term presence.

VIABILITY = SUSTAINABILITY

Viability emerged as one of the most influential interconnected themes across the research. Agri-business leader interviews and literature review findings suggest that while the Agri-retail sector has been expanding its brick-and-mortar store portfolios over decades, future viability now depends less on expansion and more on organisations' ability to strategically adapt while maintaining relevance and trust within rural communities. Due to the impacts of agricultural evolution, economic instability, digital commerce, and customer expectations, businesses are re-evaluating how they can strategically adapt by investing, remodelling, or divesting regional locations of New Zealand. At the same time, survey responses indicated that customers continue to value accessibility, service reliability, and local support, creating tension between commercial optimisation and customer satisfaction (Figure 9).

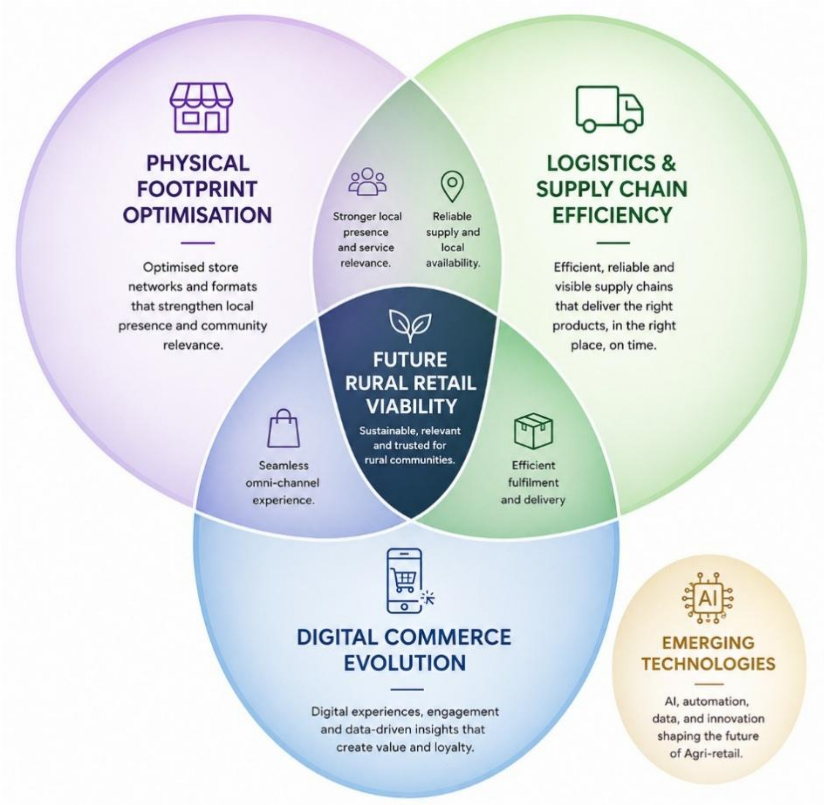

Figure 9. Operational influences shaping the future of rural retail viability

The Venn diagram in Figure 9 illustrates three key factors influencing the future viability of Agri-retail businesses. While each component can operate separately, the greatest opportunity for sustainability lies in the intersection of footprint optimisation, logistics, supply, and digital commerce. The overlap of these elements represents how the balanced model meets the changing needs of the customers. Emerging technologies sit alongside the model as an external aide that can help advance each area and further influence the direction of Agri-retail through the evolution of agricultural processes and changing customer spending habits.

Evolving Customer and Industry Needs

Customer Behaviour Shifts

Historically, to access a brand or product style, the customer would have to travel to the designated store, which had supplier access to the product range. If it was not found in your location, waiting for the stock to be ordered in, or a road trip would be taken to secure your requirements. With the advancement of digital commerce, this correlation has undergone an upheaval. Access to online has been opened to all stock brands and product types with no restrictions. Customers now have access to brands not stocked locally and can compare prices between retailers. "Consumers making purchasing decisions have dramatically altered: they stand in stores, using their smartphones to compare prices and product reviews; family and friends instantly weigh in on shopping decisions via social media; and when they're ready to buy, an ever-growing list of online retailers deliver products directly to them, sometimes on the same day" (Kappagantual et al., 2024).

The increase in free access to price comparisons and brands has meant the physical store is often not the first place the client goes to get the information or product they require. Either by bypassing the local entity and having it delivered to their door or utilising the click-and-collect model cemented into shopping etiquette from the COVID pandemic. Survey participants, when asked if their habits over the last five years have changed, considered the cementation of their Covid purchasing habits. The findings show that they do, in fact, compare pricing before purchases are completed (Figure 10). The survey did not go into detail about how they sought this pricing, but it does show that the relationship between customers and suppliers is not a factor in purchasing without clarity. Survey responses also show a possible correlation between the results that they compare pricing and are now less loyal to a specific brand.

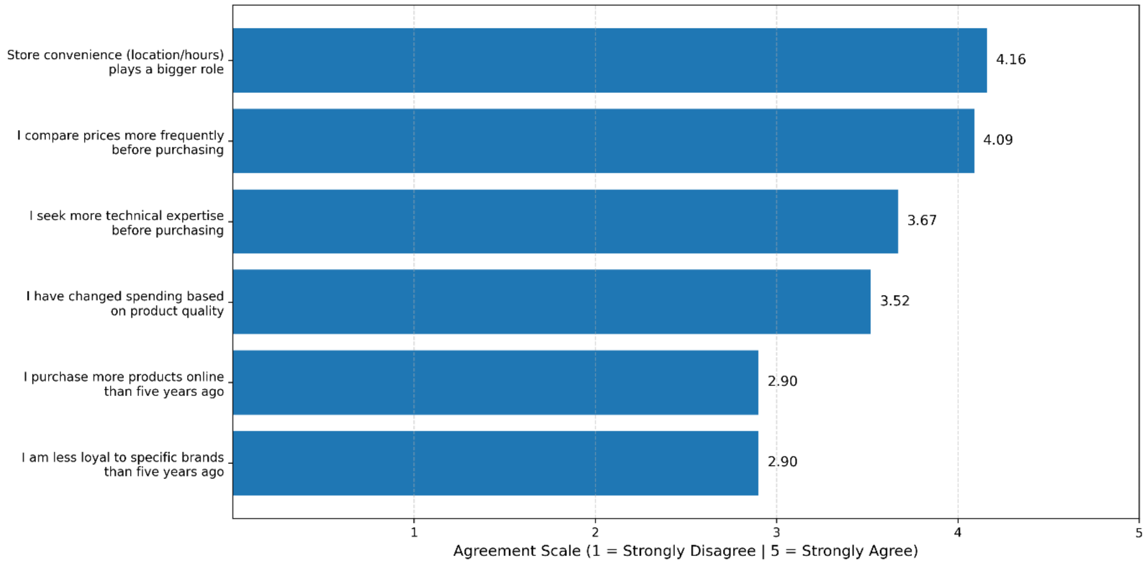

Figure 5: Participants' self-reflection on changing purchasing habits over the last five years

The introduction of e-commerce has created an expectation of visibility and comparison across every retail channel worldwide. The COVID pandemic has escalated the integration of the model into everyday trading. "What will the pandemic's legacy be for retailers? Essentially, it's the creation of an environment where consumers want consistency across their physical and digital shopping experiences, without differentiating between them." (Kappagantual et al., 2024). What it has done for Agri-retail is that they are seeing a store not only for customer spending, but increasingly for customer attention, engagement, and ongoing interaction. They want to see consistency across digital and physical retail spaces, while experiencing something unique that is engaging and interesting, where shopping is an experience, not a chore.

Emerging Technology and Industry Transformation

Agriculture is entering a new phase of technological evolution, with AI-driven systems and advanced automation becoming feasible and commercially realistic parts of everyday farming operations. Mechanisation is becoming a necessary foundation of farming and no longer a novelty. Coupled with increased financial pressure, operational costs, and weather inconsistency, the need for technology mechanisation is now required to sustain a business.

The transformation is not based solely on improving production and return as it was in the 'Industrial/Green revolution' (Appendix C). Evolving through time, developing mechanisations, genetic selection, and digital technologies have been reshaping farm productivity and decision-making since the dawn of human civilisation (Worldostats, 2025).

The lens has now been turned back on farmers, not only to continue improving yields per hectare but also to ensure they are implementing environmental, animal, and human health practices. Farmers are required to adjust their practices in accordance with regulatory actions and environmental legislation to help reduce carbon emissions and lessen their impact on the planet (DairyNZ, n.d.). Requiring future Agtech to be able to monitor, withstand, and operate to achieve the results of farming today and into the future. To be able to produce higher yields with less effort, cost, and impact on the environment. Technology mechanisation has now advanced to the point where it has been split into two distinct categories: Standard Agtech and Precision Agriculture (Table 2). Agri-retail has evolved to meet these pressures, working with suppliers, industry leaders, working groups, and regional departments to find solutions that can mitigate the issues or aid in understanding the requirements. Either by sourcing products or by organising informational events for the communities to attend.

Table 2: Comparison of Traditional Agtech and High-Tech Precision Agriculture

Category	Traditional / Standard Agtech	High-Tech / Precision Agriculture
Purpose	Supports farmers to improve efficiency, productivity, and time management.	Automates tasks and decision-making to improve precision and consistency.
Human Involvement	Requires human operation and oversight.	Operates independently with minimal human intervention.
Decision Making	Decisions are made by the operator.	Systems analyse data and make real-time decisions.
Operation	Assists people in performing tasks more effectively.	Performs tasks by itself and adapts to changing conditions.
Key Advantage	Enhances human ability and farm productivity.	Delivers greater accuracy, consistency, and labour efficiency.
Examples	Tractors, conveyor belts, manual irrigation, and broadcast spraying.	Self-directed machinery, robotic harvesters, AI irrigation, and precision spraying systems.

This ability for the accuracy of the future is the reason it is known as precision agriculture. Where the smart data-driven processes transform information, alerts and patterns from surveying down to a single plant. Coupled with this ability, action is to be taken without the requirement for human intervention. The issue coming up with discussion groups and the industry when discussing this new technology is how it will jeopardise the current workforce. Fields of Innovation (2025) discussed the concept: "Will AI and robots eventually replace human farmers altogether? The consensus in the industry is that this is unlikely. The goal is to augment human expertise, not replace it. Technology can handle the repetitive, physically demanding tasks, freeing up farmers to focus on strategy, business development, and stewardship of the land. Ongoing research and development are focused on making these systems more scalable, affordable, and user-friendly, ensuring that the benefits of this revolution can be shared across the entire agricultural sector" (Fields of Innovation, 2025). Showing that, like the evolution of the now traditional Agtech, the Precision Agtech will be a successive advancement in the evolution to better farming practices, but will still require human interaction to oversee.

As farming systems become increasingly data-driven, automated and precision-dependent, Agri-retail businesses are also being required to evolve. The traditional role of supplying products alone is shifting due to the financial implications of the advancements, no longer requiring the quantity of inputs originally required. With businesses thought to be required to lean more towards technological support, advisory capability and aiding in data analysis (Table 3).

Table 3: Investigated technology advancements in Precision Agtech and the potential impact of Agri-retail business models

Agtech Areas	Current Examples	Potential Implications for Agri-Retail
Water & Irrigation Systems	IoT precision irrigation controllers capable of monitoring weather, soil moisture, and water use in real time (Agritec, 2026). Autonomous irrigation robots are also being developed to identify dry areas and water individual plants while simultaneously monitoring plant health (Smart Farming Inside, 2025).	Greater demand for irrigation planning, technical support, and solution-based selling rather than simply supplying irrigation products. Retailers may need to expand advisory capabilities as water management becomes increasingly data-driven.
Precision Pest & Crop Management	John Deere's precision spraying technology can identify and target individual weeds, reducing herbicide use by an average of 77% (John Deere, n.d.). AgResearch is also developing AI-assisted laser weed control systems that identify and destroy weeds without chemical application (AgResearch, 2023)	Reduced agrichemical volumes could significantly impact traditional retail revenue streams. Businesses may need to diversify service offerings and place greater emphasis on technical expertise and agronomic support.

Gene Editing & Biological Innovation	CRISPR technology is being used to alter plant genomes to improve resilience, productivity, and disease resistance (IJOEAR, 2026). Research is also underway to improve disease resistance and animal welfare outcomes through genetic modification (Sellers, 2025).	New crop and livestock opportunities may emerge in regions previously considered unsuitable. Retailers may need to develop specialised knowledge and support services to assist farmers adopting new production systems.
Livestock Automation	Halter technology enables virtual fencing, automated stock movement, heat detection, animal health monitoring, and pasture management (Halter, 2026). Advances in drone technology are also allowing remote stock monitoring, counting and mustering (Rogers, 2019)	Improved animal monitoring may reduce demand for some traditional animal health products while increasing opportunities for technology sales, support, and data interpretation services.
Autonomous Farming Systems	John Deere has publicly stated its goal of achieving fully autonomous corn and soybean production systems by 2030 (John Deere, n.d.). Automated harvesting systems are also being developed for labour-intensive horticultural crops (Caggiati, 2025), while AI-controlled growing systems can optimise plant growth and sugar content through environmental management (Fields of Innovation, 2025).	Labour shortages and rising wage costs are accelerating automation adoption. Retailers may need to adapt from supplying consumables to supporting Agtech systems, equipment integration, and operator training.

Abram (2024) brings an interesting perspective into the reasons as to why we turned to monocropping as a farming tool to streamline farming and resources, which, with advancement, could change back: "The reason that we do monocropping and use herbicides is that it's the way that farmers figured out how to feed the world. But if you could actually increase yield using a system that knows every plant on the field and what it needs, you could, in theory, plant many different kinds of plants in the same field, which ironically is an older form of farming called "intercropping" which keeps the soil healthy that we could bring back using new tech like machine learning:" (Abram, 2024). A concept on soil and animal health, in that current crop and stock rotational practices is making it achievable, but reverting to intercropping could be an evolutionary step towards self-regulating soil biology.

Digital Commerce Evolution

Agri-retail in the past was largely based around personal interaction through customers visiting a physical store or a sales representative travelling directly onto a farm (Figure 11). Purchases were heavily relationship-driven, with limited visibility beyond previous interactions or customer familiarity with staff members. Product availability was also closely tied to physical stock held within the local brick-and-mortar stores. As digital commerce has evolved, retailers have gained a greater understanding of customer purchasing behaviour, seasonal trends and operational requirements.

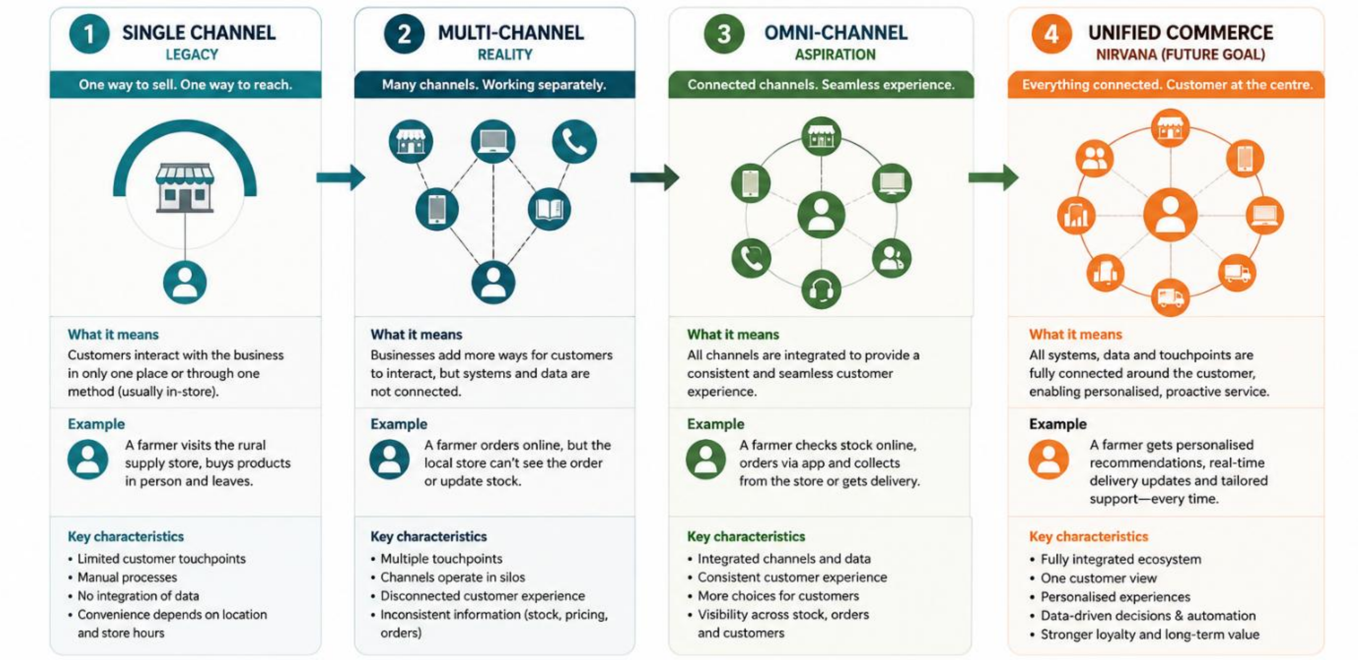

Figure 11: Evolution of commerce – from single channel to unified commerce. Changing the way businesses connect with customers (Papadopoulos T, 2020)

The evolution of commerce has changed from one store selling products to a fully connected, digital and physical experience that puts the customer first. With the ability to use historical purchasing data, forecasting tools and artificial intelligence, it is increasingly supporting retailers in planning, logistics and customer service. Rather than fully replacing physical retail, digital commerce is reshaping how rural retailers integrate service delivery, purchasing convenience and operational efficiency into the customer experience. The Omnichannel approach goes beyond the transactional support to a system in which there is no segregation between physical, digital and communication. Where all the networks work in sync to deliver value that they could not achieve in the single or multi-channel phases.

Agri-retail businesses are progressively moving towards omni-channel commerce models that combine physical stores, logistics, storefronts, and digital purchasing platforms to improve commercial accessibility, with unified commerce being the pinnacle they are striving towards. However, findings have shown that Ag-retail businesses across New Zealand are not all progressing through the digital commerce evolution at the same pace. Larger retailers often have greater capability to invest in integrated digital systems, while smaller organisations may still be in the earlier stages of development (Table 4). Therefore, businesses are operating at different points along the commerce evolution continuum, depending on strategic priorities, operational capability and available resources.

Table 4: Researched Agri retailers and their progression through the e-commerce evolution.

Organisation/ Platforms	Digital Commerce Model	Key Digital Features	Commerce Evolution
Farmlands (Farmlands, 2025)	Standard online retail store	Online purchasing, product browsing, and basic account access	Traditional e-commerce platform
FarmlandsPRO *(Farmlands Pro,* 2025)	Integrated farm business platform	Personalised pricing, account integration, delivery tracking, and farm management support	Moving toward a unified commerce ecosystem
Farm Source *(NZ Farm Source,* 2025)	Integrated dairy farming support ecosystem	Rewards programme, digital tools, farm dashboards, online ordering, milk and farm data integration	Combining retail, digital tools and farm management services
PGG Wrightson *(PGW Store,* 2026)	Omni-channel Agri-retail system	Online ordering, account services, technical reps, store and delivery integration	Blending physical and digital retail channels
Ruralco *(Ruralco,* 2026)	Member-based rural services platform	Online account access, rewards, fuel/cards integration, rural service support	Expanding digital member service ecosystem

Farmlands Co-operative Society Limited developed a distinct approach by having two digital purchasing platforms to support different customer purchasing needs. The standard Farmlands online shop provides a more traditional transactional e-commerce experience. FarmlandsPRO has evolved into an integrated platform for ordering, relationships, logistics, account management, price agreements, and customer data into one platform specifically tailored for farm business management. PGG Wrightson has also expanded their digital capability through the development of Bidr (Bidr, 2026). An online livestock trading platform operating separately from the core Agri-retail business. Bidr was developed in response to declining physical saleyard attendance and growing interest from buyers outside of the traditional auction regions. The platform allows real-time online participation in livestock sales, helping to expand accessibility and connect sellers and purchasers across New Zealand. This demonstrates how commerce within the Agri-retail industry is evolving. Extending beyond retail products and integrating other trading systems held within the businesses to provide a full portfolio of assistance. With businesses seeing a need for progression and utilising online platforms to extend their offerings.

With online access to every retail channel worldwide, a company is no longer solely differentiated by supplier brands or distance from the farm. Consumers are now looking beyond the transactional aspect of a business model and at the company that can assist them with their business and work alongside them into the future. When it comes to e-commerce, there needs to be a reason for the client to choose to visit your digital platform over another. Kappagantual et al. (2024) explain that the 'share of attention' is what is required for consumers: "In all spaces, retailers will continue to curate brand experiences to generate demand for goods and services. Whether the interactions are physical or digital, retailers must create spaces that people will visit. Market share and share of wallet are increasingly giving way to share of attention. If people or algorithms aren't going there and engaging, the business will fail. The metaverse is only adding to the need to compete for consumers' attention by creating a space they will choose to visit — and purchase in — depending on their mindset, moment in life, and the experience on offer." (Kappagantual et al., 2024). Therefore, the creation of e-commerce platforms for businesses now needs to shift focus towards the customer experience and what they can bring to their e-commerce platform. Into how they can entice the consumer into wanting to transact and spend time with them online. As another Agri-retail business is no longer excluded due to the distance to drive down the road to transact, they are one click away.

Case Study – Farmers Business Network (FBN)

Farmer Business Network (FBN), based in the United States of America, provides an international example of how digital platforms can complement or replace the functions traditionally performed by physical retail stores and staff with a digitally connected ecosystem (Figure 12). Rather than operating as a physical retail storefront, FBN combines Online ordering, financial services, logistics coordination, farmer-to-farmer knowledge sharing, data analytics, and benchmarking in a connected digital location. (Farmers Business Network, 2015)

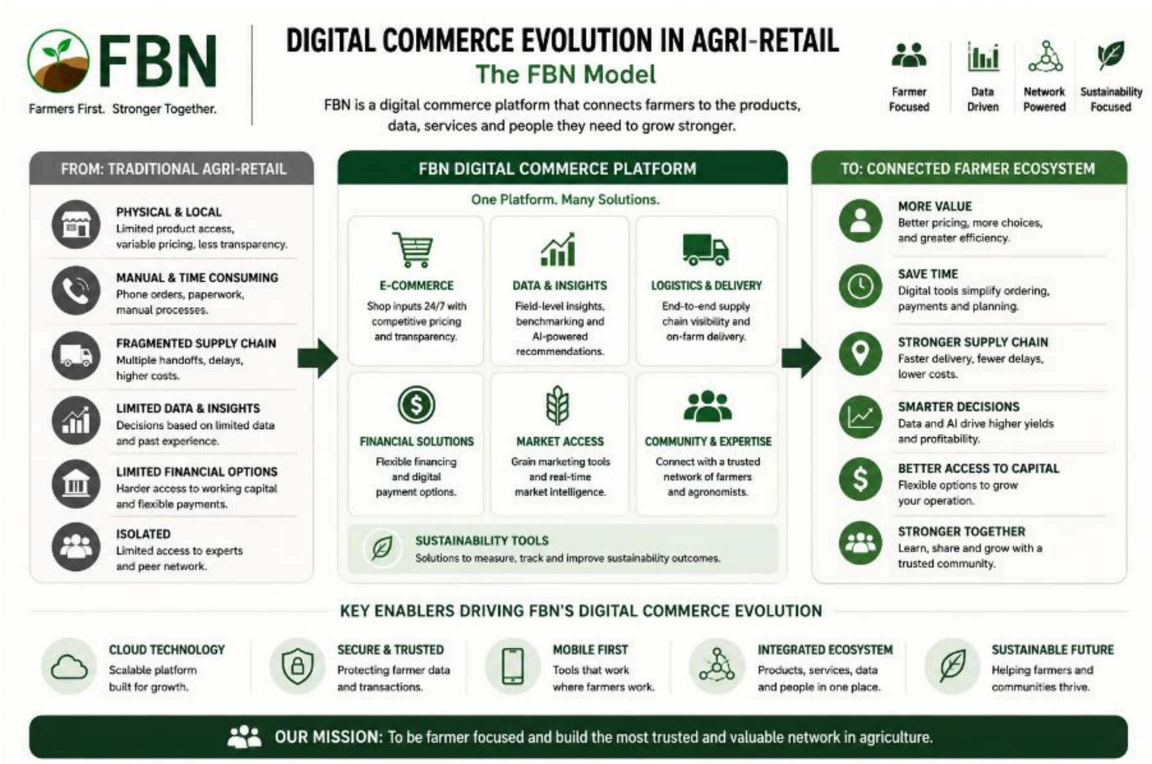

Figure 126: FBN business model and the commerce platform that they provide (Farmers *Business Network, 2015)*

FBN ecosystem positions its philosophy through a "Farmers First®" strategy focused on improving pricing visibility, direct access to products and services by increasing convenience. While providing access to information and planning tools that enhance and support the client's business into the future. The Farm Journal interview (Farm Journal, 2022) highlighted how FBN is attempting to simplify direct-to-farmer ordering systems while improving freight coordination and delivery efficiency. This was a strong feature within this Kellogg survey response regarding logistics and supply chain. Through strategically placed depots and dedicated freight, their business aims to reduce geographical barriers and improve accessibility in rural areas that may traditionally experience freight and service limitations.

Jack Cox (VP of global fulfilment and logistics – FBN) spoke in the interview about the warehouse centre: "What the bulk store buildings represent are all the speed, all the reliability, all of the ease of ordering and the ease of delivery that people have come to expect in other sectors". He continued speaking on their reasoning for taking upon themselves the delivery side of the business: "With the rural environment, the address isn't necessarily the shed where the farmer wants his product. The roads might not always be clearly marked; there are challenges. We figured it was best to kind of jump the gap ourselves; put our own trucks on the road and really manage that delivery experience ourselves". Showing that, as a business, they had worked out where the downfall was in the logistics side of the business. Noticing that if they were to fulfil their goal of having an easy ordering and delivery service, the model they were using was not fit for purpose. They took it upon themselves to create their own delivery service to ensure the product was delivered to the specific place it needed to go, utilising vehicles that could access the locations. Supporting their clients in their needs and understanding the business model they created and wanted to uphold.

Major concerns identified by the Kellogg survey respondents were the potential loss of relationships, social interaction and community connections as rural retail becomes increasingly digitised. Several respondents highlighted the importance of in-store conversations, trusted staff relationships, and the social role that rural supply stores continue to play within rural communities (pg. 12). The FBN model provides an interesting modification to this concern, as rather than removing the relationship and community component entirely, the platform attempts to digitally recreate and strengthen aspects of community interaction within its online ecosystem. A key feature of FBN is their farmer-to-farmer interaction and knowledge sharing within the platform itself (Figure 13). Rather than positioning the customer as simply the online purchaser, the system has created a connected network where farmers can compare data, share experiences and access benchmarking insights from similar farming operations. This shifts the platform beyond a purely transactional system to a digitally enabled community network.

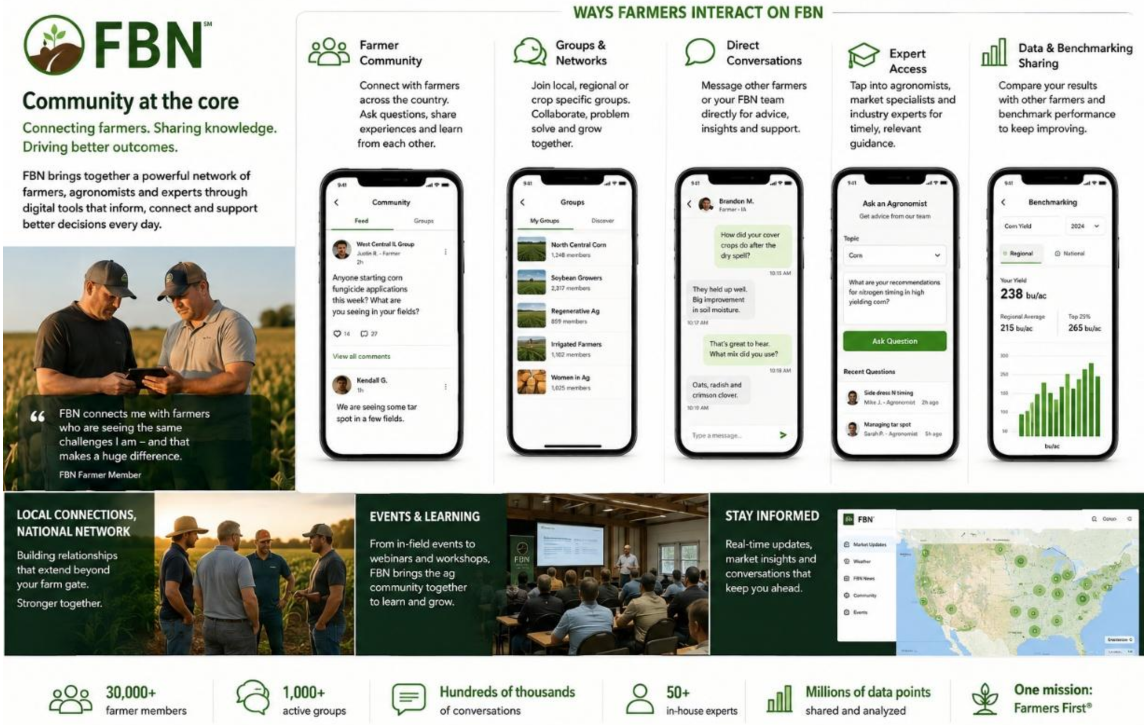

Figure 13: Showcasing the community aspects within the FBN online platform (Farmers Business Network, 2015)

One core component of the FBN model is the use of data and analytics to support farm decision-making. By integrating information from thousands of farmers, the platform provides benchmarking and agronomy insights that extend beyond purchasing behaviour into broader farm management support. The use of benchmarking and operational insights allows farmers to compare performance, understand seasonal trends and gain confidence in decision-making through collective industry knowledge from their peers. In ways, this mirrors the informal information that historically occurred through local stores, saleyards and rural social interactions. While the delivery method has changed, the underlying peer support and shared understanding remain present within the digital environment.

The evolution of FBN continues as they have recently upgraded AI advisory systems initially introduced to the market in 2023 to support agronomy questions. AI integration is now being developed and used more widely across its platform. Including personalised recommendations based on farm type, operational data and customer interaction (Marston, 2025). Demonstrating how the business is attempting to personalise digital relationships and advisory solutions. This suggests an increasing focus on continued relationship functions, tailoring recommendations and interactions to each customer. That they may have an increased focus on replicating aspects of trusted advisors' relationships traditionally associated with the physical retail environments.

For rural Agri-retail New Zealand, this raises an important consideration: whether digital commerce can replace interaction or evolve to support relationships in new ways. Survey respondents identified concerns about the potential loss of social connection and face-to-face interaction due to increased digitisation. Models such as FBN pose the question of whether the interaction can remain if it were integrated into the digital commerce platform. Could the hybrid ecosystem in New Zealand maintain relationships by including the community aspect of support networks and knowledge sharing?

Logistics and Supply Chain Efficiency

Freight plays the most important role in the economy and is increasingly becoming a key section within a new evolutionary business structure (Harbor Research, 2023). Historically, traditional logistics was very linear with clear paths from supplier to store and then store to customer. Stock was often managed at the individual store level, dealing directly with suppliers for ordering and receiving stock (Figure 14). The merchandise would then be placed into the brick-and-mortar store and dispatched to the consumer.

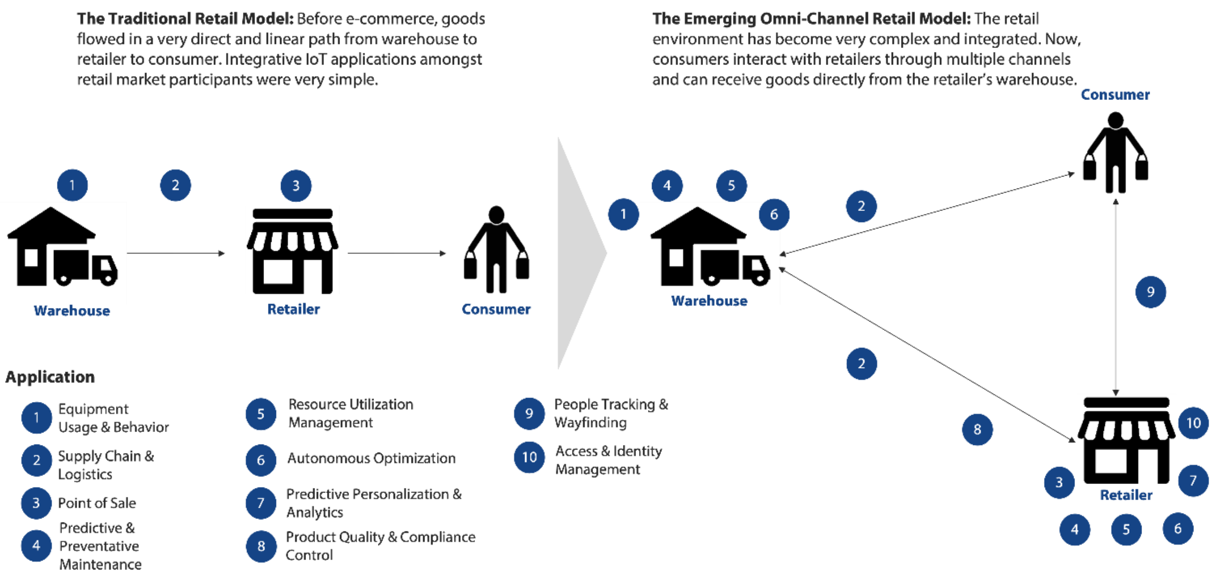

Figure 14: Modernisation of the supply chain model and how the introduction of omni-channel has revolutionised logistics (Harbor Research, 2023)

The multi-layered omni-channel model has transformed with the modernisation of computer technology, AI, and data analysis, enabling system efficiency (DHL, 2025). Increasing the ability for logistics to be more direct and rationalised to suit the needs of the company and customer by analysing and optimising where it is seen to make improvements. Historically, having multiple touchpoints created delays and double-handling of products, resulting in inefficient freight timelines. Full trust is now being placed in external providers, as the stock can now be bypassed entirely from supplier to consumer.

Information received from Agri-retail leaders utilising external providers that they use and monitor service levels via service level agreements (SLA). To contractually have delivery schedules and timelines with strict parameters. The SLA contracts hold providers accountable for service expectations, from time delays to customer service. With shipping prices increasing and modernised resource management, Agri-retail businesses are researching and realigning with the freight industry. Looking into the role in the intertwined business structure, historically, and how it could be remodelled going forward. They are looking at the viability of committing not only to the delivery service to the farm but also to back-load potential.

One of the most consistent operational themes emerging from both survey responses and industry interviews was the frustration caused by freight inconsistency and limited delivery visibility. With the increase in on-farm delivery schedules, the survey participants were asked about their experience with issues (Figure 15). 48.4% stated that they have had late or delayed deliveries, which caused frustration at the customer's location, as they are usually waiting on the product to perform a task, or it is a critical factor in the management of welfare (example - pest or animal critical).

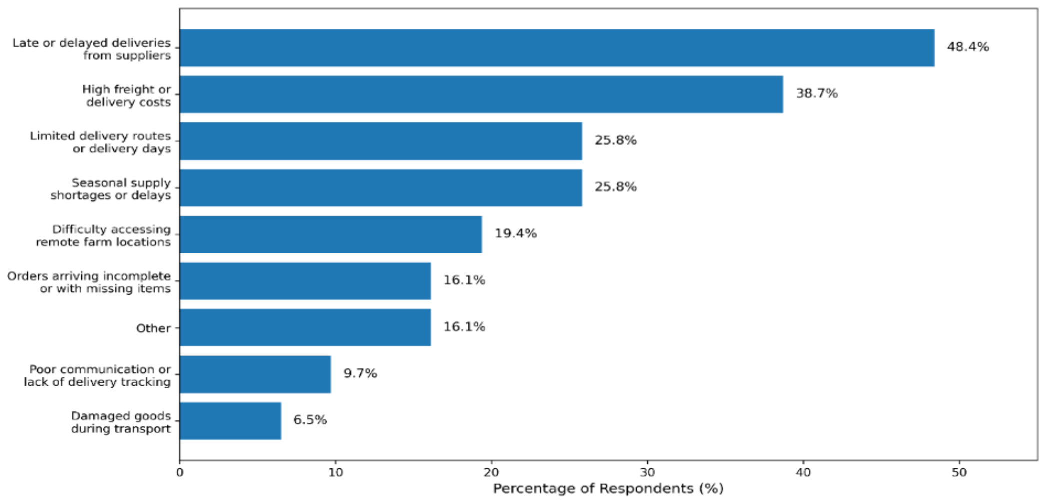

Figure15: Freight delivery issues experienced by survey participants

Another emerging concern from the survey results was the number of participants who reported incomplete or missing items from their delivery. The survey did not ask any further questions for information, so assumptions cannot be made about whether it was an external or internal freight delivery or the resulting issue stated. It could be communication around delays, back-ordered stock, or multiple packages. Research into local freight delivery services has found that some external freight transportation business vehicles are working to dissuade this behaviour. By monitoring the risk of lost or damaged freight with the installation of camera equipment connected to their freight fleet. By installing camera technology, they are meeting increased accountability expectations and customer demands for transparency now required of freight logistics.

Findings show that the delays themselves were not the sole problem, but the absence of reliable communication throughout the freight process from the dispatch to its arrival on site. Survey participants were asked for improvements around delivery issues. With responses of 29% suggesting a requirement for better tracking and 25.8% requiring better communication of the freight delivery itself. (Figure 16). One participant stated, when asked what they would like improved: "Better communication between shop and farm owner, update and progress reports (survey respondent D). Indicating from this statement and the survey results that uncertainty and communication gaps create customer frustration throughout delivery journeys.

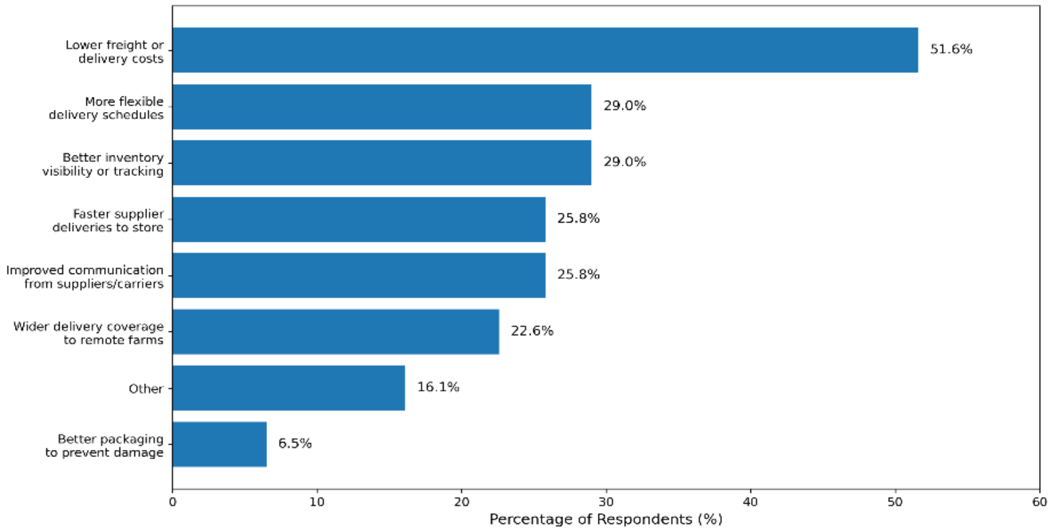

Figure 16: Freight improvement suggestions by survey participants

The combined findings of the survey, interviews and research uncovered a growing frustration in modern Agri-retail logistics with what is known as a 'silent window' (Figure 17) within the freight traceability journey. This is any time between order placement and the customer receiving the product, during which the lack of visibility causes frustration. Historically, this has not created the same impact or level of concern due to slower expectations, more store-based collection or Ag-retail-based delivery methods. However, with the increase in online purchasing behaviour and direct on-farm deliveries utilising external freight providers, the customer now expects increased communication throughout the process. For farming businesses, this uncertainty can create operational inefficiencies, particularly where the product is time-sensitive or linked to weather windows, animal welfare or labour allocation. Without clear communication, farmers are often left wondering or waiting whether delivery will arrive today, tomorrow or next week, possibly requiring rescheduling or work or animal feed constraints.

The rise of service-led conventional parcel tracking systems has also shifted customer expectations across all industries. The participants appeared less frustrated by the occasional delays themselves but more frustrated by the lack of communication surrounding them. This suggests that visibility and transparency are no longer only within the mainstream parcel delivery service but are now entwined with the entire retail and bulk freight industry. External bulk transport companies are at the forefront of the issue in New Zealand and internationally, being the epicentre of freight logistics (Kerr, 2026). The use of paper transport documentation is prevalent in the New Zealand truck freight industry. Causing a lack of instant communication that the customer has now come to expect with the increase in online purchasing behaviours. Where NZ Post is strong in this business model is having real-time notifications built into their tracking systems. Showing the tracking status from the time of parcel collection to delivery.

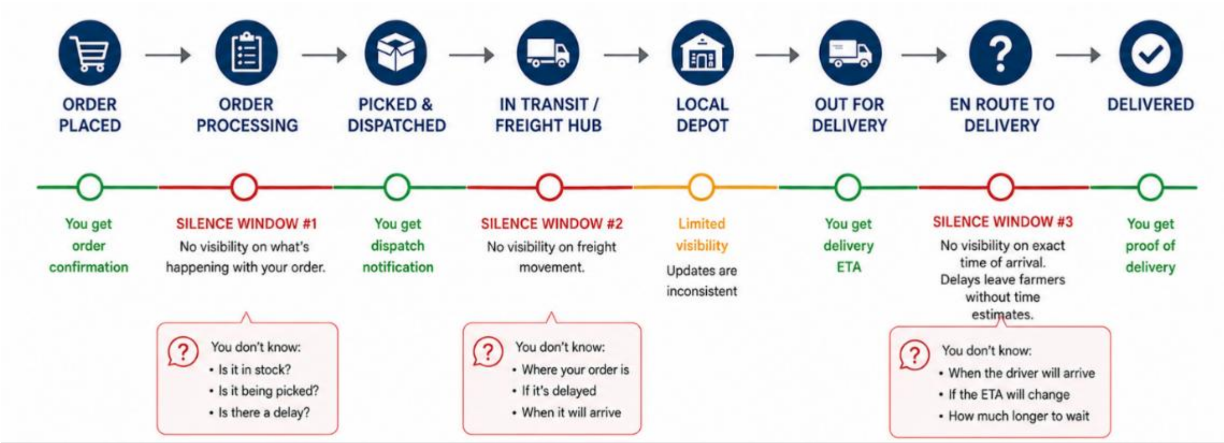

Figure 17: Freight uncertainty and communication gaps create customer frustration throughout delivery journeys.

Customers for Agri-retail are renowned for their often remote locations. The distance from city areas where the products required are generally manufactured or housed can cause significant service delays. More recently, there has been an increase in depot set-ups within the Agri-retail industry throughout New Zealand, creating warehousing of multiple supplier ranges and smaller bulk holdings closer to the stores and clientele. This aids freight timelines into store, direct on-farm bulk product, and weather or logistical delays (especially during the winter months).

The findings show that logistics no longer sit within an operational function but have now become part of the relationship between the client and the Ag-retail business. Solidifying the trust in their orders being delivered and the open communication if there are any problems or delays with services.

Physical Footprint Optimisation

Financial Sustainability Challenges

Agri-retail, by its design, is a business that provides what the industry classifies as a service-heavy retail model. Demonstrating a skilled level of selling proficiency, personalised assistance, and regulation management advice, where practical experience can aid in a sale. Other normal transactional industries focus primarily on high product turnover to generate margin – supermarkets, gas stations and fast fashion. The Agri-retail model, with its high level of consulting, creates a labour and resource-intensive factor that can be difficult to equate and account for. This level of service is what creates customer loyalty, which competitors find hard to replicate or overcome (pg.8). Findings show that businesses are working out how to monetise services into their structures. "You can boost revenue by selling products alongside services that add value. For example, a company might sell physical goods but also offer installation, maintenance, or consulting services. This approach deepens customer relationships and generates ongoing income beyond the initial sale. Start by identifying service opportunities that complement your product line. Then, train your team to cross-sell these services or bundle them with products. Monitor customer feedback to refine offerings and ensure your services genuinely meet their needs. This blend makes your business less dependent on single transactions while building loyalty through continued engagement" (Sheykin, 2026)

Long-standing Agri-retail businesses are increasingly reviewing their balance sheets, calculating where changes can be made to create a margin between expenses and profit. Profitless prosperity is an economic outcome where companies experience revenue growth but shrinking profit margins. When a business appears to be fine and growing, creating what looks like success, but profitability is being eroded due to overhead costs. ITR economics describing profitless prosperity and its effects: "On the surface, everything looks fine. Revenue is growing. Customers are buying. The phones are ringing. But underneath that growth, costs are rising faster than prices. Labour is getting more expensive. Materials cost more. Interest rates, energy, compliance, and technology are all driving costs higher. And suddenly, your business is working harder, taking on more risk, and investing more capital just to make the same or even less profit" (ITR Economics, 2026). Research shows that

Agri-retail businesses are working to mitigate overheads through staff and building rationalisation, stock management, and a full business model evaluation.

Businesses are required to work harder to achieve sales, but with much smaller margins due to increased pressure and competition among suppliers, retailers, and customers. Full market product cost inflation being pushed onto consumers can risk losing market share, so often the margin is absorbed to remain competitive. While this often helps retain customers, it also reduces profitability. The challenge is to sustain the business by rationalising where necessary, but not to jeopardise it. "Cut costs without cutting customer experience. Protect costs where a cut would slow down a purchase, such as those tied to service, trust, and product readiness. Focus on cutting areas where the customer doesn't feel it (Shopify, 2026). Therefore, businesses are focused on streamlining behind-the-scenes rather than impacting customers where possible. This approach is seen in the evolution of Agri-retail stores, where product ranges have diversified beyond traditional farming supplies. By including increased margin categories to help offset reduced margins within core agricultural products, such as clothing (Appendix D).

Brick-and-mortar stores are moving strongly to lease models rather than owned locations. Larger companies have strategic teams in place to monitor for capability throughout a financial cycle. Where feasible, multiple divisions of an Agri-retail business are combining into a single site to reduce overheads. Leasing sites gives companies financial flexibility in locations and business models. Giving the ability to divest or remodel if the market requires. Agri-retail leaders spoke of lease lengths and how they vary by location. All stating that they are generally getting shorter in duration than historic leases. The agreements often have a right of renewal in their contracts, which aids the business in stability, capital protection and flexibility without a long-term locked-in commitment.

Companies are working to streamline in-store business models and operations to create sustainability within new purchasing models and technology integration. Store operations are being evaluated, including store hours, operational methods and layouts for efficiency. Stores are re-evaluating their opening hours, not just in sales per hour but also in how they correlate to overhead costs – salary, lighting, heating – impacting the profitability of being open. Correlating the viability with the benefits of those hours that are currently being advertised. Research shows that businesses are leaning into their store e-commerce support with after-hours sales. Transacting using click-and-collect systems and being tasked with completing at opening. Technology and resources are increasing efficiency, productivity and accuracy in daily tasks. Varying from tasks such as inwards goods, restocking, stocktaking, ordering and customer management. Freeing up staff and decreasing labour costs for otherwise labour-heavy tasks.

E-commerce uptake has improved efficiency within brick-and-mortar stores due to self-service customers placing their own orders. The reduction has been noted in Agri-retail in the historic method of over-the-phone orders received from clients. To clients now utilising the ability to go online and seamlessly see the products they require or their purchasing history (pg. 20). Being able to convey their requirements without having to relay and explain what they desire over the phone, which can take time, cause confusion or even incorrect product procurement. Agri-retailers who have this facility available are working to communicate the effectiveness of these functions and benefits to their clients. Promoting the ordering ability and modernising their business practices.

Inventory management is becoming a core focus for improving efficiencies and cash flow. With improvements in technology and logistical changes, the overhead costing of holding stock on site is noticed to be inefficient, hampering cash flow. Businesses are aligning their stock requirements using improved data analysis programmes and new warehousing models as part of their supply chain.

Evolving Store Models

Alongside the evolution of agriculture, Agri-retail has evolved into the blueprint for trading companies in New Zealand today. Going from trading societies to diversified service-based operating models (Appendix C). When researching the history of multiple Agri-retail businesses, national retail chains are creating market saturation of brick-and-mortar stores. Creating locations close to farm gates and client bases.

E-commerce and Agtech continue to impact the Agri-retail models currently in place around the country (pgs. 18, 20 & Appendix C) as they advance new technology. The change of both factors – e-commerce and Agtech evolution - is now at a juncture, resulting in the change and mould to requirements from previously fully stocked brick and mortar stores. Where Agri-retail national footprint plans are being remodelled, and the ability for strategic warehousing is growing.

Agri-retail leaders and literature reviews found that multiple retail sectors are aligning on a common issue: combating stock management concerns. Findings found that this is being invested in by installing warehousing facilities strategically placed around New Zealand to house wholesale box lots of stock from multiple suppliers (Farmlands, 2025). Utilising the ability of analytic AI technology to monitor stock prerequisite levels. When the level is reached, the singular product quantity is distributed in predetermined cycles. Whilst having the ability to resource just-in-time (JIT) stock rather than holding large amounts of inventory in a stockroom for long periods at each brick-and-mortar store reduces storage space, freight pricing, and stock management (Shopify, 2022). It also helps alleviate issues of expired stock and reduces staff handling if done correctly. JIT stock requires a sales data programme of sufficient standard to calculate both warehouse incoming and multiple store outgoing data. Being able to accommodate seasonality, weather implications and pricing considerations. The data analysis also requires the ability to predetermine delivery distribution timelines to calculate and mitigate stock outages, which could cause service delays.

This change to JIT stock has been noticed by survey participants who have responded by sharing their frustrations, openly stating:

- "The variety of products that are held in some rural stores is pretty shit these days. Sometimes the more expensive products on the shelf don't always do the best job" (survey respondent C).
- "I find that as a corporation, they have policies to manage stock on hand, which is counter to a grower's needs at times. Also order late to their stock, which is late to the grower" (Survey respondent E)

Customers are therefore noticing that though businesses are rationalising stock levels, there is still some modification to go before the process of JIT stock or variety within stores is positively noticed by some clients.

With the implementation of the direct-to-farm logistics model (pg. 24), Agri-retail suppliers have also been working to streamline forward stocking locations (FSLs) as a secure warehousing location for bulk inventory (Expeditors, 2025). Like the lease model for retail locations, the FSLs are often leased or outsourced to a third party. These are being located within reach of brick-and-mortar locations to mitigate the long freight timelines and can be delivered directly to the client's location. Also, to alleviate delays due to weather conditions often seen in spring calving, snow or storm disasters, where delays cause animal welfare issues and relationship destruction. Allowing for multiple stores to effectively combine into a single bulk housing footprint, which decreases individual store footprint requirements immensely and lowers overheads. This impact is resulting in smaller retail location requirements without large bulk warehousing facilities of historic models. Creating the option of relocation or amalgamation of internal business departments into one site to consolidate overheads and lease rates. Looking at other retail models not currently in Agri-retail around the world, this is also happening everywhere. Not only is the location practical, but the necessary scale and resources that the sites now require less stock holding at every location. With some retail sectors even becoming showroom-style stores, and the real stock being kept elsewhere (Ewen, 2017).

Retailers are also increasingly using data modelling and analysis tools to understand customers better (Table 5). Insights such as footfall analysis, product placement optimisation and heatmapping analysis give real-time insights into how customers interact with physical and digital environments. Used to improve customer experience, store layouts and support educated business decisions.

Table 5: Examples of Retail Data Modelling Methods and Potential Applications (Kinkopf, 2026; Purice, 2026)

Data Modelling Method	Purpose	Potential Outcome
Footfall Analytics	Measures customer traffic patterns and peak trading periods.	Improved staffing decisions and operational efficiency.
Heatmapping Analysis	Identifies high-engagement areas, bottlenecks, and underutilised space.	Improved store layouts and customer flow.
Customer Journey & Dwell Time Analysis	Tracks how customers move through the store and where they spend time.	Increased customer engagement and improved shopping experience.
Product Placement Optimisation	Uses customer behaviour data to position products more effectively.	Improved product visibility and increased sales opportunities.

Omnichannel Integration Analysis	Evaluates how customers interact across physical stores, ecommerce, and click-and-collect services.	Improved customer convenience and a more seamless retail experience.

"The physical footprint of traditional ag retailers is one of their competitive advantages. E-commerce platforms without a physical presence are less equipped to provide farmers with immediate support during uncertain time windows caused by variable factors, such as pest pressure and weather" (Farmprogress, 2019). Store model realignment is now fully in the limelight of Agri-retail with the sector modifications – Technology advancements, inventory streamlining, and future-proofing. With businesses looking to diversify, divest or invest within regions and store locations. Looking beyond the Agri-retail sector internationally, there are multiple options due to technological advancements. One survey participant was future-thinking when asked for what support they would like to see in the future, stating: "Being open outside normal trading hours" (Survey respondent D).

Though history is not set to repeat itself, stores were set up in towns more aligned with an honesty box system, where customers take the product and write down what they took. This form of unmanned store was based on community trust and, unfortunately, was not always visited by honest people. Often causing inventory loss, stock ordering discrepancies, and financial strain on the business. Stores that adopt technological advancements can be more advanced in stock management, security, and business feasibility (Table 6).

Table 6: Differences in emerging unmanned store styles and how they could be relevant to an Agri-retail application

Retail Model	Description	Advantages	Challenges	Potential Relevance to Rural Retail
Hybrid Stores (Pospíchalová, 2025; Polymenopoulos, 2025)	A combination of staffed retailing and self-service technology. Stores operate with staff during selected hours. Then transition to self-service or click-and-collect access outside normal trading hours.	• Maintains face-to-face customer support and advice. • Preserves community interaction and relationship building. • Extends trading hours without requiring full staffing. • Allows customers to adapt to new technology gradually. • Can provide access to urgent products after hours.	• Still requires staffing during part of the day. • Additional technology and infrastructure costs. • More complex operating model than a traditional store. • Limited product access may be required after hours.	Provides a balance between commercial efficiency and maintaining customer relationships. May be suitable for smaller rural communities where full-time staffing is difficult to justify, but local presence remains important.
Fully Automated Stores (Pospíchalová, 2025; Parsons, 2025)	Stores operate 24/7 without on-site staff. Customers gain access through an app or identification system, with purchases processed automatically through scanning, sensors, or computer vision technologies	• Significantly reduces labour costs. • Provides 24-hour product access. • Can operate in remote locations with lower overheads. • Smaller store footprints possible, including container-based formats. • Consistent customer access regardless of staffing availability.	• Removes face-to-face advice and support. • Reduces opportunities for community interaction. • High initial technology investment. • Potential challenges for customers not as comfortable with technology. • Greater dependence on system reliability and connectivity.	May provide a supportable option for maintaining a retail presence in locations where traditional stores are no longer commercially sustainable. However, the loss of personal interaction may conflict with the relationship-based expectations identified within this research.

Supporting Technologies (Pospíchalová, 2025; Uri-ke, 2022)	Technologies include computer vision, smart locks, inventory management systems, automated payments, safety monitoring, motion sensors, and smart lighting.	• Improves operational efficiency. • Reduces overhead costs. • Enables real-time inventory management. • Supports extended trading hours. • Enhances security and monitoring.	• Ongoing maintenance and software costs. • Technology failures can disrupt operations. • Requires customer adoption and trust. • Potential cybersecurity and privacy considerations.	These technologies provide the foundation for both hybrid and fully automated retail models and may allow rural retailers to maintain service levels while reducing operational costs.

The hybrid and fully automated retail variant predominantly breaks down to staffing components and footprint size. The hybrid store can facilitate community-facing retail and encompass a larger range of stock at night. It could stay fully open or be sectioned off for overnight purchasing of a selected range with self-checkout and security functionality (Pospíchalová, 2025; Polymenopoulos, 2025). Where the fully automated store could be a remodel of the current brick-and-mortar store, or the business decides to invest in a new location (Pospíchalová, 2025; Parsons, 2025). According to The Business Research Company, the global unmanned stores market reached USD 12 billion in 2023 and is projected to grow at a compound annual growth rate of 8.8%, surpassing USD 25 billion by 2032 (Howard, 2025). Showing that the market of unmanned stores is on an uphill trajectory that New Zealand has yet to undertake. Research did not find any Agri-retail digitally managed hybrid or automated stores trading in New Zealand. Some Agri-retailers continue to operate assorted sites as a community trust system or utilise third-party managed systems. While investment startup costs are significantly higher for both unmanned and hybrid systems, due to technology installation, the overall overheads work out over time. Cutting operational costs, operating outside standard staffing schedules, and still being seen by supporting the community with a downscaled model. This could maintain the current market share or grow it if these models were used in new locations previously unavailable due to confined resources.

LEADERSHIP = ADAPTATION

Leadership is a concept that essentially ties all the other pillars – relationships, community, and viability – essentially a fusion pillar. Coordination of all commercial realities influencing the success of strategic decision-making. Leadership is the capability that ultimately determines whether organisations can preserve relationships, maintain community confidence, sustain commercial viability, and strategically navigate long-term industry change. Working out what strategic decision concepts are required to sustain the business long-term. Finding out what it needs to implement structure, being able to communicate effectively, and why the concept is required. To be able to communicate within the business but also to the client in a way that is comprehensive, explanatory, and balances financial necessity against community impact.

Comparable to how the community and relationship pillars focus not only on the internal commercial workings of Agri-retail. Leadership goes beyond business model adaptations and transactions. Extending into maintaining local presence and community connection via sponsorship, technical support, local employment, and community involvement. Business models need the ability to preserve their social capital while adapting operational models.

Leading Change

Findings show that Agri-retail is becoming less about maintaining stability and more about coordinating adaptation driven by climate variability, regulatory pressures, market impacts, and shifting customer expectations. Relationship maintenance and customer trust are being prioritised while responding to retail volatility faster than historically faced. Leadership capability is now being linked to how effectively an organisation can coordinate decisions across logistics, merchandising, staffing, finance, physical adaptation, and e-commerce adaptability concurrently.

Research within the survey, Agri-retail leaders, and literature reviews suggested that operational systems, digital transformation, and business strategy alone were insufficient if leadership could not align people, trust, and navigate the long-term direction. Deciding how to navigate and implement change successfully while balancing community with profitability, during research, showed that depending on the structure of the business, whether trading as a co-operative or as a corporation, altered the perception and actions taken towards the change. Businesses are leaning towards a more numbers-driven decision model rather than the more collaborative approach to change.

Agri-retail leaders are working through full company strategies, retail store, digital, and their wider business frameworks. Looking at how they can navigate long-term sustainability while continuing to see profit in market share and portfolios held. They are deciding whether to invest or divest from their current locations, manage investments, and research future ventures to stay relevant and withstand margin fluctuations. Research into Agri-retail history has found that this has traditionally been through mergers, roll-ups, and acquisitions (Appendix D). New business strategies are evolving into direct sourcing (self-importation), becoming more prevalent in the New Zealand Agribusiness strategies (Table 7). With traditional retailers' methods of on-selling now evolving to a self-controlled supply and exclusive sourcing model. With findings showing Farmlands and Farm Source as the most visible in the market, with home brand production.

Table 7: Findings of direct sourcing revenue streams created by Agri-retail businesses

Co-operative / Retailer	Direct Sourcing / Own Brand Focus	Examples of Brands or Product Ranges	Strategic Purpose
Farmlands *(Farmlands Annual Report, 2025)*	Strong direct sourcing and growing exclusive/own-brand range through international sourcing and supply chain integration	Farmlands Exclusive Brands, own-brand apparel, fencing, tools and rural supply ranges	Improve margins, control supply chain, create shareholder value, and offer lower-cost alternatives
Farm Source *(Retail, 2025)*	Co-operative-owned/private-label retail ranges targeted mainly at dairy farmers	360, Country Mile	Provide affordable product alternatives and strengthen co-operative loyalty through exclusive farmer-focused offerings
PGG Wrightson (PGG Wrightson, n.d)	Primarily branded supplier partnership model with selective exclusive/imported product sourcing	Agrichemicals, seed, nutrition and livestock products sourced through aligned supplier partnerships rather than large-scale visible house brands	Focus on technical expertise, supplier alignment and integrated service offering rather than strong retail private-label positioning

Roll-up strategies are shown to be consolidation strategies undertaken by businesses responding to increased commercial pressure. Seeing businesses acquiring and aligning smaller industries into their portfolio, combining them into a single, larger entity (Table 8). Aiding the ability for rapid growth and increased scale through the acquisition. While increasing purchasing power, production capability, and market share. The success of the acquisitions comes down to the strength of leadership. Having the ability to manage the integration of the new entity into the business matrix while maintaining operational consistency and customer confidence.

Research into leading Agri-retail companies showed that roll-ups are not the only avenue for increasing capital through acquisitions, but joint ventures or owned brands held outside of the main business model. Kept as an adjacent business model but still supports industry objectives and growth, such as Bidr, Vetmed & Fern Energy (Table 8).

Table 8: Findings of the mix in business strategy models across leading Agri-retail companies

Supplier	Acquisitions, Joint Ventures, Owned Brands & Strategic Platforms	Strategic Focus
Farmlands (Farmlands, 2023)	SealesWinslow, Donaghys Agriculture, Fern Energy (joint venture), NRM, McMillan Feeds, Farmlands Card Partners, FarmlandsPRO	Vertical incorporation across feed, manufacturing, fuel, digital commerce and loyalty ecosystems to improve scale, shareholder value and supply chain control
Farm Source *(NZ Farm source,* 2019)	RD1 integration, Farm Source Rewards, 360 Range, Country Mile	Dairy-focused ecosystem combining retail, loyalty programmes and co-op branded product ranges to strengthen farmer retention
PGG Wrightson (PGG Wrightson, n.d)	Vetmed, Fruitfed Supplies, PGW Seeds, Bidr	Varied agribusiness model integrating livestock, horticulture, genetics, animal health and digital livestock trading
Ruralco (Ruralco, 2024)	ATS heritage integration, Ruralco Finance, Ruralco Fuel	Regional co-operative diversification through finance, fuel and shareholder service integration rather than large-scale acquisitions

One example of an Agri-retail business successfully leading change is PGG Wrightson, which remodelled their livestock saleyard business. PGG Wrightson analysed the issues of their stockyard sales model and invented and integrated Bidr (Bidr, 2026). The business looked at factors such as limited local buying power, logistical roadblocks and reduced stress on livestock. Coming to a solution to bring a digital component into their sales yard business model, and by designing it themselves. Choosing not to take away from the historic sales yard business model, but by integrating the digital real-time component into the current functioning business model. By integrating this model, it has upheld the community aspect and social calendar events as they are often seen as. While also giving access to the clients not at the sale yard site. Opening the purchasing group to those who could not travel, new digital clients and those who would not make it due to geographic differences. Bidr also solves the dilemma faced by sales during the COVID pandemic, when isolation was mandatory, meaning sales could continue in the future should another event occur again. This change of business version has maintained trust and built relationships while balancing innovation and rural interactions. PGG Wrightson was willing to evolve a business structure that has been a traditional requirement for animal management, and has successfully grown the market (PGG Wrightson, 2023). This is a testament to how innovation was taken to the market and became part of the new normal in Saleyard practices.

New Zealand Agri-retailers are moving beyond stand-alone traditional retail models by creating integrated supply networks. Strengthening commercial viability, modernising digital platforms, securing supply pathways and creating strategic partnerships for the benefit of their customers.

Maintaining Trust

Keeping the business running is part of management, but true leadership becomes most visible in times of disruption, during business adjustments, operational pressure, or changing customer expectations. As expectations change, leaders must shift from overseeing operations to leading people to determine what needs to be done, how it will be actioned, and how it will be communicated. Making sure the business is equipped with the right information to effectively communicate commercial changes by navigating the business and the community along with them. Having the ability for strategic thinking, team collaboration skills, leading innovation, and relationship management, all while staying resilient. It is shown in many forms, not only by making decisions and backing them, but by explaining and onboarding those around them so all are on the same page.

Leadership within Agri-retail has shown in the client survey to be highly connected to how organisations implement and manage operational change, not just the change itself. While changes can improve financial sustainability, findings suggest that poorly managed transitions risk weakening community trust and reducing perceptions of the organisation's commitment to the rural neighbourhoods. Survey participants highlighted a lack of effective leadership in communication around Agri-retail store closures (Figure 17). Survey results did not indicate the location of the closure, but the high percentage indicates that there could be a national issue, possibly across the industry. A clear strategy appeared not to be in place to communicate from a business-led perspective, as only 40% of participants indicated direct communication from the store via email, notice, or in-person contact.

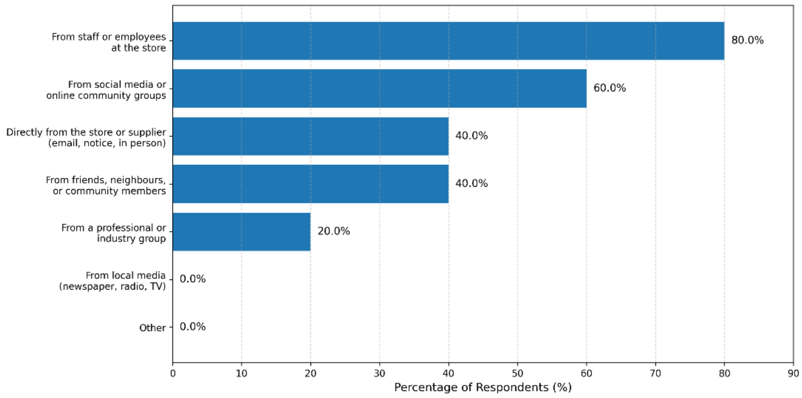

Figure 17: Avenue of store closure communication received by participants when their preferred supplier or store closed (Participants were able to select all that applied)

As described in 'effective communication' (pg. 11), clear communication is required directly from the business; the survey cannot ascertain what the participants perceived as missing messages. It can be assumed that it was not enough to lead the clients into the supportive role during the transition. Possibly violating the trust matrix that had been built before the closure, which could have affected the long-standing relationships. Trappett (2024) advises on how to integrate communication of changes within a community: Learn to involve the community in the planning process. Not everyone will agree with the final decision of a project, but strong community engagement will justify the outcome. The key is to manage the conflict, foster trust, and build relationships. Listening to different views will lessen the resistance to change (Trappett, 2024). Describing how leaning towards the community and relationship side within a transformation. Working with their concerns and perceptions of a possible solution or emotional trigger that could arise with the change the business is looking to implement. Whether that be modification, closure, digital, or store integration. Taking the chance to hear their views and be able to use them in your modelling, or being able to speak to the concerns and appease, where possible, any qualms they may have. This could also be a chance to possibly uncover something not seen from an in-depth level of insight that could mould your perception or next steps, depending on the information.

Change and technological modification are shifting faster than ever before. The ability of a business to adapt to be sustainable in the market means that change is inevitable; the company will not be around for long. Trappett (2024) explains how to overcome the scary side of change: "There will always be people who are resistant to change. Change is inevitable, but it doesn't have to be scary. Communicate clearly with the community or stakeholders about the transition. Where possible, allow them to get involved in the design or decision-making. Local knowledge is expert knowledge. They might have ideas or concerns that weren't on your radar. Taking residents' opinions into consideration also makes them more accepting of the change. They will take pride and ownership of the change." (Trappett, 2024). As the bell curve shows (pg. 8), there will always be late adopters or laggards associated with change. Communicating clearly and thoroughly about the reasons for change while also having the ability to hear and reply to concerns will decrease the percentage of these two groups. Making the acceptance of change as a community smoother and decreasing the disruption to relationships.

Digital space transitions, whether e-commerce or automated store integration, require clear communication with clients. Parsons discusses how change should be communicated to gain trust and autonomy. "Clear communication is key. Customers need to know how the store works, what their responsibilities are, and how to get help if needed. Tutorials, onboarding prompts, and customer service touchpoints help bridge the gap in unmanned setups. Trust also comes from reliability. The technology must work consistently. Payment systems should process smoothly. Entry and exit mechanisms should be dependable. When customers can rely on the system, trust builds naturally"

(Parsons, 2025). With the escalation of automation technology, concerns around data privacy and security issues have been voiced by customers. Plus, the aging population often struggles with technology and finds e-commerce generally difficult to navigate. These concepts all need to be taken into consideration when the evolution of Agri-retail continues to mould into the next state of trading models. Research found that integrating technology and accessibility in unmanned or hybrid stores to assist will create inclusivity and accessibility, which is a necessity (Aifi, 2023). By aligning technology such as voice prompts, multilingual access, and simplified interfaces, you will achieve greater community connection and acceptance of change.

DISCUSSION

The findings identified four interconnected pillars that influence the future sustainability of Agri-retail: relationships, community, viability, and leadership. While the pillars were examined separately, the results have shown that they are all interlinked and none can work in isolation. Showing that if a change is made within one, it is felt throughout the entire entwined structure.

Figure 18 illustrates the relationship of the pillars and the overarching key themes emerging from the research, and that the challenges are rarely isolated to a single issue. They extend beyond and intertwine to the point where changes made to freight distribution, service adjustments, community engagement, and digital escalation can create both community and commercial impacts.

The findings suggest that the future of Agri-retail is defined not by singular challenges but by the tensions created where the four pillars overlap. Decisions made to improve one area could have consequences in another, requiring leaders to balance business efficiency with community expectations.

- Shrink smart, not blindly – make sure the stores are the right size for the network, not losing relationships or community presence.
- Double down on people – relationships and expertise drive loyalty, growth, and resilience.
- Redesign the retail model – shift from product and price to advice, trust, and hybrid service.

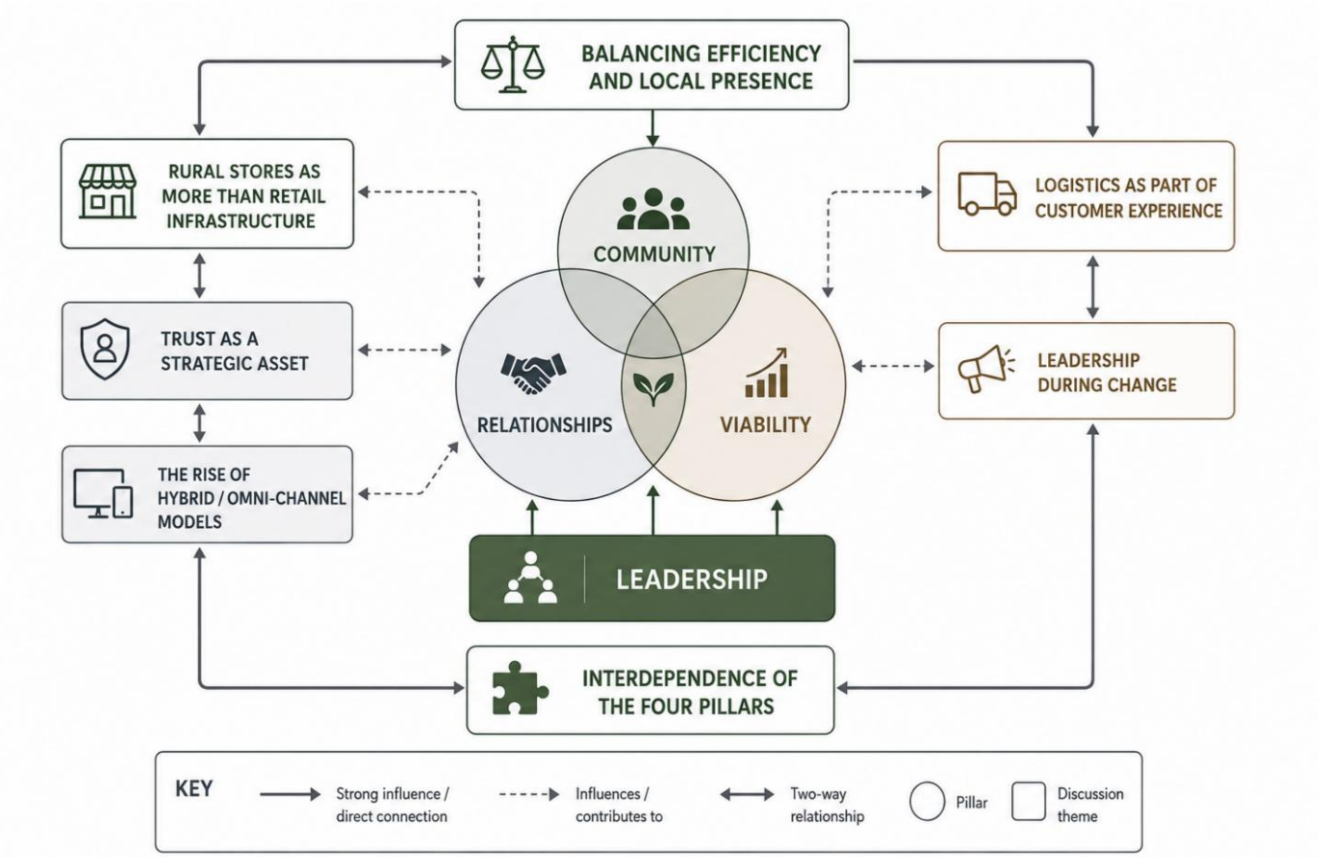

Figure 177: Interrelationship between the four pillars and key discussion themes discovered.

Balancing Efficiency and Local Presence

(Store closure impacts touching all four pillars)

The agricultural sector is changing - technology advancements, amalgamation of farms, client expectations of service, and the requirement for retail products due to these factors. For the Agri-retail business to stay sustainable into the future, change is inevitable. With the introduction of JIT and FSL efficiencies, footprints are no longer required as they have been historically. This alone is changing the efficiency of store workings, even before the integration of digital commerce is considered.

Purchasing trends where price comparisons are increasing among clients throughout the global retail industry, making a huge impact on store profit, and creating resource-heavy models due to the lack of sales. Rural and urban locations trading in the apparel sector are showing the impact of this trend more visibly than other sectors, with store closures. They are increasingly used as fitting rooms for online store sales or other spending tactics. Highlighting the requirement for stores and staff to maintain relationships with local clientele to instil a shop local mentality. Providing service to customers and a sense of belonging during visits to the physical store.

Some businesses are directly sourcing their own store products, protecting profit margins and securing stock availability. A business initiative that, if managed correctly, could sustain business as long as the products are of a standard where the spend will continue. This challenges the standard retail trading model of on-selling products. Giving the ability to bypass the middle supplier and secure a direct profit, reducing the final customer-facing price of the product, and possibly increasing turnover.

Questions people are looking at now are the national footprint of brick-and-mortar stores within business portfolios. Working out how they can change to become more efficient, have fewer expenses, while keeping the relationships and communities they are currently serving? Is it more viable to stay within a community to maintain trust and relationships, but downsize footprints to manned, hybrid, or fully automated stores rather than divest?

Automated and hybrid stores could provide a solution for expansion into communities where a full store is not warranted by assisting with farm purchases and having an emergency store within the region. Having the stock required seasonally for last-minute or quick purchasing could increase revenue without the overhead of a full store. Being able to utilise restocking from the warehousing systems set up like a standard brick-and-mortar store. With technology for restricted access and stock management now available via cameras or other recognition techniques, you could effectively increase the reach rather than shortening it.

Rural Stores as More Than Retail Infrastructure

(Trust and local connection – Community + Relationships)

Through the research process, the store has come across as not just a place of transactional spending but as a relationship centre for the community and what it brings to the town it belongs to. The agriculture industry is often a legacy of isolation, with purchasing trips becoming their place of human connection. The staff are seen as more than standard staffing units in a retail environment. They are often acknowledged for relationships, trust, giving expert advice and resource management that cannot be found in standard transactional stores. retail operating system. This suggests that the connection remains regardless of the store format, modified to meet business needs.

Locations of Agri-retail stores are often in small towns where people are coming off the farm and see locals in the stores they would not see outside of this setting. This causes the store to become an informal, often spontaneous social gathering place where discussions happen, from aiding each other with purchasing to general life chats. Being able to bring the farmers away from their site and not having everything delivered has a mental health and well-being aspect that cannot be taken for granted. This has been shown outside of the retail industry with the change of socialisation spaces such as rural schools, pubs and churches on the decline, causing wellbeing concerns. The findings confirm that rural isolation has increased the importance of informal gathering places. Farms are getting bigger, staffing units are decreasing, and on-farm deliveries are more common, reducing the need to go into town for supplies. This highlights the need for businesses to be mindful of the impacts of the change matrix and how communities could react, not because of the sale but through the loss of a local gathering space.

"Service" is the most heard word when researching or discussing the project with customers and business alumni. Their biggest requirement and struggle were vocalised as service when asked what they require of their current and future interactions with Agri-retail businesses. Entering a supermarket, you often notice people stocking shelves and working at the counters, service may be available if something is not on the shelf, and the staff are asked if there is stock out the back. This version of transactional marketing is unheard of in findings within rural retailers. Staff working with an Agri-retail store carry out these duties within their role, but are also seen to be experts, proficient researchers, possibly know your family or hobbies, and sometimes become a mental health advisor. Staff upskilling needs to be a key component to continue the service customers associate and require of Agri-retailers. Staff training that consists of giving advice, communication skills and problem-solving. Customers associate their own knowledge growth with their Agri-retailer of choice, which means going forward, upholding this could be done by creating events or training links. Bringing people together for presentation events or strategically placing QR codes near products in-store and/or online, directing customers to further information. Having the ability to mould the business model of the future while fostering this key value into the service model currently revered would be advantageous.

Customer sponsorship within a community is supported at national and local levels, in all Agri-retail businesses researched. Unfortunately, the local level of sponsorship is perceived to be decreasing, and a concern that this will continue to diminish should store structures change in the future. Findings show that this would be detrimental to the business. It does not provide instant monetisation, supporting spaces and events. It continues to support events, clubs and groups that bring people together in local communities, establishing long-standing respect and gratitude. Community local connection needs to be maintained in every network decision.

Trust as a Strategic Asset

(Relationships + Community + Viability)

Relationships are a cornerstone of success for an Agri-retail business, associated with the business or the staff working within it. Farming is not a standard job that can be switched off; it is a lifestyle. One that can be highly volatile due to external factors beyond the farmers' control, impacting their livelihood. They chose the occupation for the connection to the land, animals and the lifestyle it provides. Relationships with an Agri-retail business, they have confidence that the business philosophy is the same and a passion to benefit their endeavours for success. Supporting the consumer not only when a product is required but also when they are going through negative experiences – storms, international instability, financial hardship – can build trust and respect. Relationships turn from just a social benefit into a commercial asset.

Social capital is a pendulum that can swing both ways in a community and can benefit or hinder a business. Close connections by shared interests, family ties or location can cause communication to travel very quickly. Exacerbated by the increase of social media and the digital channels used today, any form of constructive information can spread like wildfire. So, protecting loyalty through service, communication, stock when required and having knowledge regarding farming requirements goes a long way in instilling trust within a community.

The importance placed on trusted staff highlights that employee retention and capability strengthening should be set as a strategic investment within the business. Showing that people within the business and the relationships they hold are the competitive advantage held over a competitor. These staff relationships, when closing and consolidating stores, will be what hold the business together. To be the sounding board for customers, but the ones who have a rapport with them can convey change more than a letter from head office ever can. The findings show that customers are willing to accept change within a business model, implying that the challenge is directed not towards the change itself, but the perceived loss of trust and local connection that could accompany change. Calculating success using loyalty and retention, rather than only sales, will highlight where leadership needs to be put in place to strengthen local connections.

The Rise of Hybrid Rural Retail

(Hybrid/Omni-channel – Leadership + Viability + Relationships)

The findings support that the future of commerce is integrated online, and there is no going back to the single-channel retailing of the past. The ability of unified commerce to integrate both online and brick-and-mortar locations benefits the business and the customer. How this technology is integrated into the retail model and communicated into the business makes all the difference for the success it creates.

Agri-retail continues to evolve - moving from a singular processing entity to an advancing modular integrated system. One that incorporates both online purchasing and brick-and-mortar store locations. Working towards being a seamless ecosystem of efficiency. The emergence of online digital self-service technology suggests order implementations and staff efficiencies have improved. It has not had any detrimental effect on the relationship component of a sale with customers. Creating more independence for the customer and less reliance on other people, which is where information breakdown is shown to occur. The integration of the brick-and-mortar store with the online model, rather than just a fully digitised order, continues to deliver human interaction that farmers appreciate and seek. With the service of an Agri-retail store. Not just the transaction aspect, but the social capital of the interaction.

When new technology or process is delivered to the customer base, there needs to be a clear action plan with how the business will communicate the change to end users. Generational gaps and technology cause animosity if not implemented with strategic training or clear steps. The rural sector is a very hands-on industry that appreciates being able to see, feel, and ask questions when something is integrated or new. This needs to be contemplated when it comes to integration and an effective rollout plan.

Business initiative and inventive nature need to be the future leadership strategies towards digital commerce integration. Continually working towards integrating and evolving the direction they want the company to go in to stay sustainable and relevant in all markets. A basic Shopify store is no longer a driver getting a consumer to access your company online and spend. Being able to bring digital commerce with benefits to the client, that's original, not already in the market, or assist them in some way that makes them want to utilise and creates a competitive edge. How can an online version of a company benefit the community and relationships already in place, as seen with FBN?

Logistics as Part of Customer Experience

(Delivery reliability – Viability + Leadership)

In Agri-retail, modernised supply chains and revolutionised delivery services have been streamlined into business models that are an asset for the future of service due to improved efficiencies. Bringing the ability for better business practices by utilising JIT stock via warehousing implementation and FSL locations for deliveries to the farm is revolutionary. But freight efficiency is the Achilles' heel of the modern system.

The ability for stock to be closer and possibly via a third party, away from a store or supply chain, assists in abating service delays. Decreasing the requirement for store footprints at all brick-and-mortar locations to be substantial due to consolidated stock over a region increases capital gain.

Freight is no longer only an operational requirement for stock arriving at a brick-and-mortar store. It is now a key stake in business service strategy, increasingly shaping customer trust and loyalty. The findings suggest that the judgment of service is not only linked to the successful arrival of the product and the station at which it arrives, but also to the ability to visualise its journey to the gate, providing visibility and certainty of the order's arrival. The emergence of freight visibility as a customer concern, more than it has been historically, suggests that order transparency is just as important as delivery speed. The requirement for visibility is derived from mainstream courier services and their improved capability, instilling knowledge and new expectations. The visibility aids in planning the daily running of their farm business, giving time, if necessary, for problem-solving should the delivery be delayed before it causes strain on the farming operation. Bulk freight companies are the entities most in the limelight, known to not be modernised to the expected service of transparency that the smaller parcel delivery carriers are now utilising and being praised for. With many companies still operating on paper copies and freight systems with significant silent windows. Creating businesses and customers to not have the ability to see where in the supply chain the stock has progressed often requires track-and-trace communication, leading to time delays and frustration. Showing that if there were clear open windows into the freight system and clarity, the relationship can be upheld with the client, and staff time wastage would be abated.

Leadership During Change

(Communication during change – Leadership + Relationships)

Leadership emerged as a coordinating influence that enables organizations to balance the competing demands of the other three pillars. While community, relationships, and viability are all business strategies that represent business sought objectives, leadership provides the ability to achieve these objectives. The powerful pillar, if not upheld, could cause the business to falter in all other aspects of the associated pillars. There needs to be clear direction on growth and a drive to stay malleable and open to new initiatives and technology.

With technology advancements, overhead inflation, customer expectations, and the changing landscape of agriculture, there is no ability to rest on your laurels, expecting that the way your business is performing will continue. Even though the Agri-retail business aligns with the seasonal calendar of farming, there is no longer the ability to rest on an annual financial and business plan without it being revised throughout due to the volatility that seems to continue to escalate. Being able to strategise and manipulate your company model to suit is now the way to success. Like the evolution of agriculture, the evolution of Agri-retail is similar in that over time, processes have been streamlined to require less time for staff to reduce salary and resource expenditure. Modernizing to also meet the expectations of the client base with click and click, digital online commerce, and AI advancements.

The research suggests that resistance to change is not due to the change itself but rather to how the change has been communicated. Where transparency or the ability to offer feedback is insufficient, the acceptance is degraded. Through the corruption of the company's trust, the social capital is heavily depleted and can take a long time to recover.

Interdependence of the Four Pillars

(Bringing everything together before the conclusion)

Long-term rural retail sustainability appears dependent on maintaining balance across all four pillars rather than maximising any single area. No one can work independently without requiring or impacting others. While focusing on one area for improvement and improving the other pillars around it, the weakness of a pillar undermines the others.

Leadership functions as a coordinating system that aligns commercial objectives to community expectations. If the business fails in leadership concerning strategies, communication, and identity management, then the whole system will come crashing down, and the unsustainability will be imminent.

Viability in the Agri-retail sector is prized and leveraged for the relationships it holds with its clientele. Without the relationships and trust, variable spend can occur. Product pricing is always a factor in business, but with relationships and the value of the service, the commodity price is not the only factor the client is calculating when it comes to loyalty to their preferred business.

A community retail location without viability cannot be sustained, and changes need to occur. The business needs to weigh the benefits of staying at a footprint location and the relationship impacts that remodelling or divestment could cause. Could they divest and foster relationships, or remodel their footprint to uphold relationships and continued community service from another angle and/or location within the community?

The future of Agri retail is not a choice between commercial viability and community responsibility. The sustainability of an Agri-retail business increasingly depends on maintaining the relationships and community trust that underpin customer loyalty. Leadership becomes the driver for balancing efficiency gains and preserving community trust. With trust and customer retention, the revenue will be viable.

CONCLUSION

The findings indicate Agri-retail is entering a period of transformation rather than expansion. With the evolution of digital e-commerce, AI, and advancing technology, coupled with the changing landscape of agriculture, the sustainability of the business requires reshaping how Agri-retailers operate. To remain commercially viable, business models need to evolve through unified commerce, improved logistics, modernised delivery services while strengthening relationships and preserving community confidence.

The research identified that rural stores perform functions beyond product transactions. They provide places for farmers to connect away from the farm, strengthening local community connections and supporting wellbeing through everyday conversations, trusted advice, and community events. Unlike many retail sectors, Agri-retail relies heavily on expertise, relationships, and confidence over time, making trust central to the customer experience.

Trust emerged as one of the most strategic assets across the research. Through consistent service, open communication, and understanding of individual situations, trust and respect can be created. Turning relationships from a social benefit into a strategic commercial asset. Investing in and developing staff who can build relationships benefits both customers and the business's long-term success.

Ultimately, the sustainability of Agri-retail depends on maintaining the balance between relationships, community, viability, and leadership. These pillars are interdependent; when one weakens, pressure is placed on the others. Long-term success, therefore, comes not from maximising a single priority, but from balancing all four.

The challenge for the Agri-retail business is not about choosing between commercial viability and community expectations. It is about creating a business model capable of delivering both. The organisations that successfully balance efficiency with local presence, innovation with continued trust, and commercial performance with community connection will be best positioned to remain sustainable into the future.

RECOMMENDATIONS

The recommendations below have been developed directly from the research findings and are aligned with the four interconnected pillars of relationships, community, viability and leadership.

Recommendation	Primary Pillar	Timeframe
Protect Relationship Capital During Change	Relationships	12 months
Reposition Stores as Community Service Hubs	Community	24 months
Improve Freight Visibility and Communication	Viability	24 months
Continue Developing Unified Commerce	Viability	3 years
Lead Change Through Clear Communication	Leadership	2 years

Recommendation 1: Protect Relationships During Network Change

Rational

The research showed that trust and relationships are the biggest reasons customers stay loyal to a business. Most customers accepted that businesses need to change, provided they understand what change is happening and feel informed throughout the process. Protecting these relationships during times of change helps to maintain trust and customer confidence.

Recommended Action

Before making significant changes to a store or a business model:

- Identify key customers and community groups who will be affected.
- Communicate early and explain why the change is needed.
- Ensure all staff understand the messaging so customers receive consistent information.
- Keep in contact with customers after the change to answer questions and gather feedback.

Success Measures

- Customer satisfaction remains the same or improves following the change.
- Customer retention remains strong.
- Fewer complaints relating to communication.
- Positive feedback from customers and the community.

Time Frame

Use this approach for all major business or network changes from 2027 onwards.

Recommendation 2: Redefine Stores as Service and Community Hubs

Rational
The findings showed that rural stores provide more than just products. They are places where farmers receive advice, catch up with people, attend events, and maintain connections with their community. As businesses continue to evolve, finding new ways to stay visible and connected will become increasingly important.

Recommended Action
Continue investing in activities that keep businesses connected to their local communities by:

- Holding regular customer information events
- Supporting local schools, clubs, and community events
- Working alongside local farming groups and organisations
- Looking for new ways to stay involved where store footprints are reduced

Success Measures

- Increased attendance at community events
- Ongoing support of local organisations and initiatives
- Improved customer feedback relating to community involvement

Time Frame
Build these activities into business planning over the next 24 months

Recommendation 3: Strengthen Freight Visibility and Communication

Rational
The research found that customers were generally understanding when deliveries were delayed but became frustrated when they didn't know what was happening. Better communication throughout the delivery process will improve customer confidence and strengthen trust.

Recommended Action
Improve communication by

- Providing customers with better tracking and visibility of orders
- Keeping customers informed when delays occur
- Using consistent communication across stores and customer service teams
- Regularly reviewing customer feedback to identify areas of improvement

Success Measures

- Fewer freight-related complaints
- Higher customer satisfaction with delivery communication
- Reduced customer enquiries about order status
- Improved confidence in the delivery process

Time Frame
Introduce improvements progressively over the next 24 months.

Recommendation 4: Continue Developing Hybrid Retail Models

Rational
The research showed that the future of Agri-retail is not about choosing between digital or physical retail. Customers want both. They value the convenience of online shopping while continuing to rely on trusted staff, local knowledge, and face-to-face support. Future business models should continue to strengthen both.

Recommended Action
Continue developing a business model that combines digital convenience with local service by:

- Improving the connection between online and in-store experiences
- Expanding flexible purchasing and collecting options
- Using customer information to provide more personalised services
- Continue to invest in knowledgeable staff who support customers alongside digital means.

Success Measures

- Increased use of digital platforms
- Growth in click-and-collect and other hybrid purchasing options
- Improved customer satisfaction across all shopping channels.
- Continued customer loyalty and repeat business

Time Frame
Continue this work as part of business planning over the next three years and beyond.

Recommendation 5: Lead Change Through Clear Communication

Rational
Leadership was identified throughout the research as the factor that brings relationships, community and commercial viability together. The findings suggest that customers are often not resistant to change itself but to poor communication of the change, often creating a lack of understanding and unease. Strong leadership and open communication help build confidence and reduce uncertainty.

Recommended Action
Support leaders by:

- Providing training in change management and communication.
- Making customer and community communication part of every major project
- Encouraging two-way communication with staff, customers, and local communities
- Reviewing each major change to identify lessons learned for future improvements.

Success Measures

- Leaders complete change management training
- Improved staff engagement during change
- Supporting and following up with staff within the location of change.
- Greater customer confidence throughout change processes
- Positive feedback following major organisational changes.

Time Frame
Introduce these practices across leadership teams within the next two years.

Summary Recommendation

Collectively, these recommendations reinforce the need for rural Agri-retail businesses to balance commercial viability with community connection. While operating models may continue to evolve, future success is likely to depend on an organisation's ability to retain relationships, deliver expertise, maintain trust, and adapt to changing customer expectations.

LIMITATIONS OF STUDY

Conflict of Interest

A potential limitation of the research was the associated perceived conflict of interest due to my employment in the rural retail industry. Interview invitations were distributed transparently and clearly identifying the Kellogg programme, my role in the industry, and the academic purpose of my research. Several requested organisations declined due to concerns about commercial sensitivity and competitive conflict.

To mitigate this limitation, reluctant interview participants were provided with discussion topics in advance and encouraged to respond to areas they were comfortable discussing. Despite these measures, participation of organisations remained limited, reducing the scope of direct industry representation included within the study.

While this restricted access to industry perspectives, the combination of participant responses, literature reviews, and survey findings still provided sufficient data to identify common themes and support analysis.

International crisis impact

The timing of the research coincided with escalating geopolitical tensions between the United States and Iran. During the period, interview requests and follow-up communications were being conducted, and many businesses were navigating increased uncertainty and operational pressures.

This likely contributed to the reduced availability and willingness to participate in interviews. As a result, the research approach was adapted to place greater emphasis on survey participation and regional-level engagement to maintain industry input where possible.

Small sample sizes

Another limitation of the study was the relatively small number of survey and interview responses. Despite extensive distribution efforts through rural community groups, industry networks, and targeted social media promotion, participation levels remained below expectations.

The limited participation in the cross-industry component prevented meaningful comparative analysis between Agri-retail and other rural-affiliated sectors. The small customer sample size also restricted the ability to undertake authentic and correct regional comparisons.

Therefore, the findings should be interpreted as indicative rather than representative of the New Zealand Agri-retail sector. The participants still provided valuable insights into customer perceptions, community insights, and challenges associated with the sector, aiding in understanding the balance required between the communities and the Agri-retail businesses.

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APPENDICES

Appendix A: Client Survey and Interview Guides

National Client Survey

A key objective of the research was to obtain a broad view of rural New Zealand due to the diversity of Agri-retail networks, farming sectors, and communities. While response numbers were insufficient to support meaningful regional comparisons, responses were received from Northland to Otago, providing a broad geographic spread (Figure A1). The South Island accounted for 72% of survey participants.

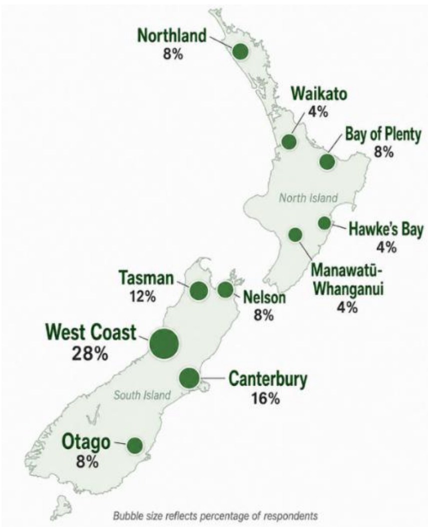

Figure A1: Geographic Distribution of Survey Respondents

Table A1: Outlining the full structure and question breakdown used within the client's online survey via Qualtrics.

Section	Question	Response / Sub-Categories
Preferred Supplier / Store	In the past 12 months, which rural supply retailer have you bought most of your products from?	Farm Source; Farmlands; Hazlett; Living Rural; PGG Wrightson/Fruitfed; Profarm; Ruralco; Rural Direct; Tasman Agri; Other
	Thinking about the supplier you buy from most, how important are the following factors in your decision to shop there?	Good prices/value for money; Convenient location; Product availability; Product quality; Friendly/helpful staff; Loyalty programme/rewards; Well-known/dependable supplier; Delivery options; Online ordering; Recommendations from others
	Besides the reasons listed above, are there any other factors that influence your choice of this supplier?	Open-ended response
	Apart from purchasing products, how important are the following aspects of your local rural supply store?	Place to connect with community; Access to local news/events; Relaxation/respite; Advice from staff/customers; Community connection; Familiarity and belonging
	If this store has any other social or personal importance to you, please tell us in your own words.	Open-ended response
	Please indicate your level of agreement with the following statements regarding your purchasing habits over the past five years.	Purchase more online; Compare prices more often; Less brand loyal; Spending changes based on quality; Seek more technical expertise; Convenience is more important
Online Shopping Experience	Since online shopping has become mainstream, how have your purchasing habits changed?	Buy more online; Buy fewer in-store; Buy more frequently; Buy less frequently; No change; More impulse buying
	Thinking about your preferred supplier, how important are these aspects of their online shopping experience?	Overall satisfaction; Ease of finding products; Checkout experience; Delivery options and speed; Likelihood to shop elsewhere online
	Which of the following delivery issues have you experienced with your supplier?	Late deliveries; Damaged/broken items; High delivery costs; Limited delivery routes; Difficult farm access; Poor communication/tracking; Other
	Based on the delivery issues you've experienced, which improvements would make deliveries easier and more reliable?	Faster delivery; Lower costs; Flexible schedules; Improved packaging; Better communication/tracking; Wider coverage; Other
Loyalty & Future Behaviour	Considering your experience with your preferred supplier, including products, service, and deliveries, what would make you continue choosing them in the future?	Convenience and friendly service; Affordable pricing; Trust and community connection; Product availability; Online/mixed shopping options; Environmental responsibility; multi-generational needs; Other

	If your nearest preferred store were to close, which of the following would affect you the most?	Extra time/costs; Shopping less often; Missing social connections; Stress/loneliness; Loss of local jobs/community identity; Other
	If your preferred local store or supplier changed its model, would you continue to support it?	Yes; Maybe, depending on changes; No; Other
	Please describe any changes that would influence whether you continue or stop shopping at your preferred supplier.	Open-ended response
	If your preferred store or supplier were to change its model or close in the future, what could it do to continue supporting you and your local community?	Maintain sponsorship/community support; Community communication/newsletters; Shared resources/services; In-person events/workshops; Local employment opportunities; Other
Store Closures	Has your previous preferred rural supply store or supplier in your area closed in the last 10 years?	Yes / No
(Respondents selecting "no" were automatically redirected to the 'Overall Satisfaction & Priorities' section)		
	What was the biggest impact on your shopping or farm operations from the closure?	Extra time/costs; Reduced shopping; Reduced choice; Difficulty sourcing products; Missing social connections; Stress/frustration; Loss of local jobs/community identity; Reliance on online/distant suppliers; Other
	How did you adapt after your preferred store or supplier closed?	Switched stores; Used online/distant suppliers; Reduced purchases; Combined shopping trips; Changed products; Shared shopping/advice; Other
	Apart from practical changes, how did you adapt socially or personally after closure?	Maintained contact through other means; Online communities; Relied on family/neighbours; Community groups/events; Changed routines; Coping strategies for stress/loneliness; Other
	Did your preferred store or supplier provide enough information about the closure?	Yes; Partly; No; Don't remember
	How did you hear about the closure?	Store/supplier directly; Staff; Friends/neighbours; Local media; social media/community groups; Professional groups; Other
	How satisfied were you with how the closure was communicated?	Very satisfied; Somewhat satisfied; Not satisfied; Not applicable/Don't remember
	What could your preferred store or supplier have done differently to communicate the closure more effectively?	Open-ended response

Overall Satisfaction & Priorities	Overall, how satisfied are you with your preferred store or supplier?	Extremely satisfied; Somewhat satisfied; Neutral; Somewhat dissatisfied; Extremely dissatisfied
	Which factors matter most when choosing your preferred supplier?	Competitive pricing; Product range; Convenience; Delivery reliability; Product quality; Helpful staff; Community involvement; Online shopping experience; Loyalty programmes; Trust and reputation
	Thinking about all your experiences — store closure, delivery, online service, and local connections — what would make you continue to support your preferred supplier in the future?	Open-ended response
	Is there anything else about your experience with rural supply stores or suppliers that you would like to share?	Open-ended response
Demographic Questions	What type of farming do you primarily do?	Sheep/beef; Dairy; Mixed livestock/cropping; Horticulture/vineyards/orchards; Arable cropping; Lifestyle/smallholding; Other
	What is the approximate size of your farm?	Less than 50 ha; 50–100 ha; 101–250 ha; 251–500 ha; 501–1,000 ha; More than 1,000 ha; Other
	What region do you currently reside in?	Auckland; Bay of Plenty; Canterbury; Gisborne; Hawke's Bay; Manawatū-Whanganui; Marlborough; Nelson; Northland; Otago; Southland; Taranaki; Tasman; Waikato; Wellington; West Coast
	How far is your farm from your preferred supplier/store?	Less than 10 km; 10–20 km; 21–50 km; 51–100 km; More than 100 km; Other
	Which ethnic group(s) do you belong to?	NZ European/Pākehā; Other European; Māori; Samoan; Tongan; Cook Islands Māori; Chinese; Indian; Filipino; Other
	Which age range do you fall into?	Under 30; 30–39; 40–49; 50–59; 60–69; 70 or older; Prefer not to say
	What is your age group?	Under 18; 18–24; 25–34; 35–44; 45–54; 55–64; 65–74; 75–84; 85 or older

Semi-Formal Interview Guide — Rural Agri-Retail Leaders

Table A2: Guide used during the semi-structured interviews with Agri-retail leaders. Questions acted as prompts when required to support discussion rather than a fixed interview script.

Topic Area	Discussion Prompts / Guiding Questions
Competitive Position & Value Proposition	What differentiates your business for rural customers today, and how has that changed over time? How do you see this evolving?
Community & Social Role	Beyond selling products, what role do your stores play in rural communities, and how does that shape decisions about your store network over time?
Digital & Business Model Evolution	How has digital and online purchasing changed your business?
	Looking ahead, how do you see the balance between digital and physical stores evolving?

Logistics & Delivery Performance	Rural logistics is difficult for everyone. In your experience, where do delivery systems to store and farm break down most often? What are you doing to improve reliability?
Store Closures & Network Changes	When a rural store closure becomes necessary, what typically drives the decision and how do you manage the impact to customers and the community?
Customer Retention & Future Loyalty	Looking ahead, what will determine which supply businesses keep their customers and which ones lose them?
Regional & Farm-Type Differences	With differing regions, farm types, and changes throughout New Zealand, are any more vulnerable if access to a local store change?
Closing Reflection / High-Impact Discussion	What do you think the rural supply industry gets wrong today, and what would a more successful model look like going forward?

Planned Cross-Industry Semi-Formal Interview Guide

Table A3: Guide to be used during the semi-structured interviews with Cross-industry. Questions acted as prompts when required to support discussion rather than a fixed interview script.

Topic Area	Discussion Prompts / Guiding Questions
Industry Pressure & Strategic Response	Thinking about your industry, what have been the biggest changes or pressures you've had to respond to, and how have they affected the way your business operates?
Business Model Adaptation	As your business responded to the pressures, how did your business model evolve to stay commercially viable?
Customer Retention Under Disruption	When customers have more alternatives, what tends to keep them loyal to your organisation?
Logistics & Operational Resilience	Where have the biggest operational or supply chain pressures shown up in your organisation, and what changes have made the biggest difference in strengthening them?
Community & Brand Positioning	What role does community play in how you think about your organisation's presence and reputation, particularly when making tough decisions about footprint or change?
Strategic Lessons for Others	What advice would you give leaders of established organisations facing disruption about what to prioritise — and what mistakes to avoid?

Appendix B: Extended Community Sponsorship Comparison

Table E1 compares the community sponsorship initiative with the researched Agri-retail organisations. While the scale and focus of the sponsorships are different, each demonstrates a commitment to supporting rural communities through wellbeing, education, industry growth, and community engagement. Westland Milk Products was included as a comparative example of how community investment can be formally integrated into long-term business strategies through a structured Corporate Social Responsibility (CSR) framework.

Table E1: Guide used during the semi-structured interviews with Agri-retail leaders. Questions acted as prompts when required to support discussion rather than a fixed interview script.

Organisation	Main Community / Sponsorship Focus	Key Examples of Support	Primary Community Theme
Farm Source (*NZ Farm Source, n.d.*)	National rural wellbeing and sustainability support	• KickStart Breakfast • Rural Support Trust • Doing Good Fund • Environmental restoration • Food donations	Rural wellbeing, sustainability, resilience

PGG Wrightson (PGG Wrightson, 2026)	Industry development and rural community partnerships	• Farm Without Harm • Young industries of the year • Ahuwhenua Trophy • Land Search and Rescue • IHC Calf Scheme • Cash for Communities	Industry capability, safety, rural support
Farmlands Co-operative *(Sponsorship,* 2025)	Rural community engagement, Leadership and recovery support	• Kellogg and Nuffield Rural Leaders programmes • Riding for the Disabled • New Zealand Sheep Dog Trial Association • Regional grower and industry awards • Golden Shears • Rural disaster recovery and hardship assistance	Community connection, leadership, resilience
Ruralco *(Sponsorship,* 2026)	Regional community sponsorship and local event support	• Agricultural events • Schools • Sports clubs • Community groups • Local sponsorship programmes	Regional identity, community participation
Westland Milk Products (Westland Milk Products, 2022)	Formal Corporate Social Responsibility (CSR) strategy integrating community, environmental and employee wellbeing initiatives	• Ronald McDonald House • Junior sports and school sponsorships • Employee volunteer programmes • Environmental targets • Structured CSR reporting	Formalised CSR integration, community investment, sustainability leadership

Westland Milk Products, though not an Agri-retail store, is a great case study as to how a rurally centric large national business has formalised CSR strategies integrated directly into its long-term business plan. Their documented 2021-2030 strategy combines environmental performance alongside social and community investment intentions. One target outlined in the CSR strategy aimed for all staff to receive one off-site volunteer day annually by 2025. Alongside that was the intention of "1% of profit per annum to go directly to the West Coast through community sponsorship from 2025" (Westland Milk Products, 2022). Although the 2025 progress report was not available online at the time of writing, previous report findings state, "In 2023, 0.3% of profit went to community sponsorship. On a rolling 3-year basis, more than 1%. Given annual movements in our profit, this target will be reviewed to ensure we continue to deliver genuine value to our community through our sponsorship." (Westland Milk Products, 2022).

Appendix C: Agriculture and Retail Symbiotic Evolution

Agriculture Revolution Timeline

Agriculture is an industry where farming and cultivation have taken place since the dawn of human civilisation (Figure B1). The industry appears to have great evolutionary changes, all relating to advancements in Ag-tech. Advancements from ancient civilisations, where people fed their own families and/or communities. To become a business-driven model where a small number of people provide and feed the entirety of the globe.

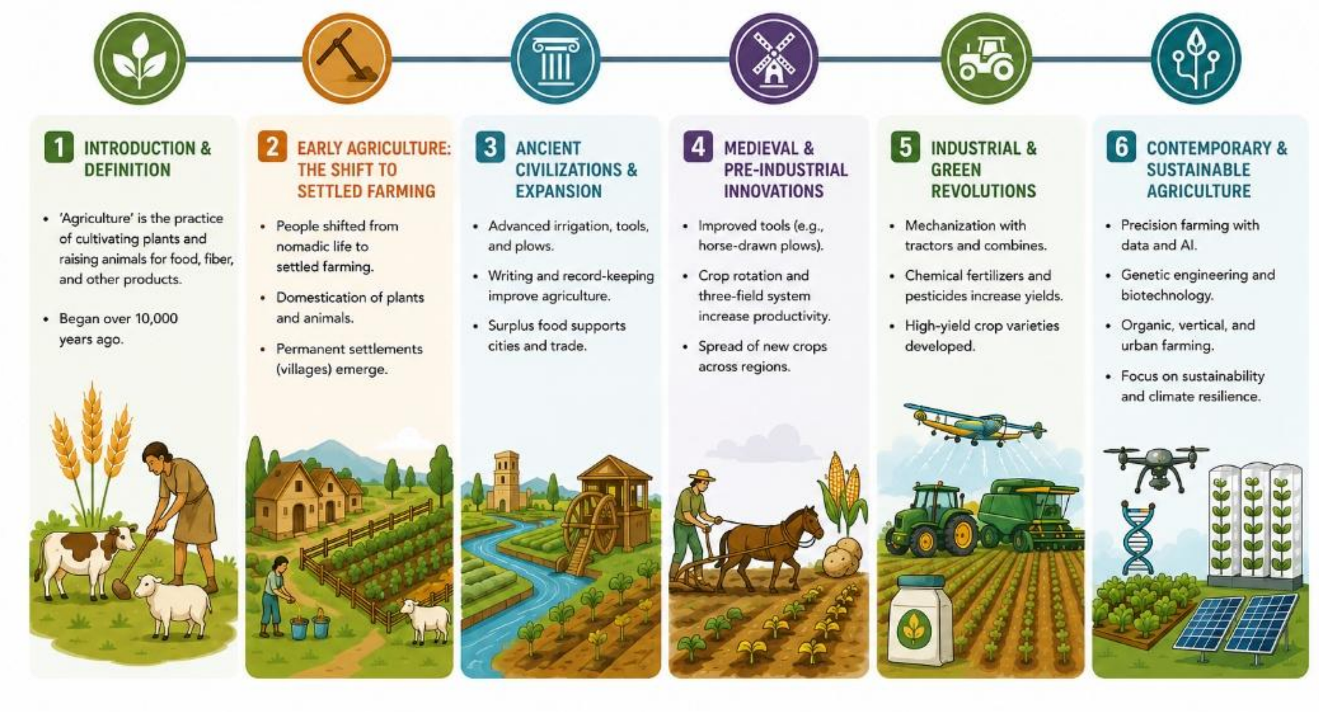

Figure B1: Agriculture has evolved - from simple tools and human labour - to a technology-driven global industry (Worldostats, 2025)

The evolution in time has shaped not only the size of farming operations and the labour units required to carry out farming tasks, but also where the operations can now take place.

Some of the advancements found through research include

- Evolution from hand tools, ploughs, to tractors and drones.
- From water channels, wheels, aqueducts, to centre pivots.
- Domestication of animals and crops for farm work, meat production and harvesting
- Improving crop and species diversity around the world through importation.
- Scientists developed genomes: changing the genetic makeup to improve climate resistance, disease and sustainability.
- Transportation improvements to ship perishable crops around the world (1882, the first freezer ship to leave New Zealand, transporting meat successfully to England) (Manatū Taonga, 2021)
- Recording of crop yields and cyclic calendars to align with seasons and weather patterns has now been digitised for analytics.

Agtech advancements have significantly improved operational efficiency, enabling farmers to increase productivity while reducing labour and time requirements. They can do a lot more with less time and labour, while feeding more on the land they have. Where standard mechanisation is no longer a novelty, but it is now the foundation of farming practices, with farmers more technology savvy than they have needed to be in the past. The technological side of Agtech is increasing at an astronomical rate. Altering how farmers operate, modify and respond to change to keep their own businesses sustainable into the future. They have become a data-driven entity, which is aiding in making better decisions. At times, removing unreliable and contentious farming practices.

Agri-retail Evolution Timeline

Historically, farmers have been geographically isolated and were heavily reliant on merchants and suppliers for products. By forming co-operatives and trading societies, they were able to secure fairer pricing, reduce supply uncertainty, all while strengthening local economies and relationships (Figure C1). Evolving through time to diversify and expand into other markets to continue to leverage the collective approach for savings and capital growth.

Figure C1: The evolution of Agri-retail. From a humble general store to modern diversified supply chains

The common thread across all researched Agri-retail organisations was the same purpose: creating their origin stories by solving practical and financial problems. Utilising collective buying power to gain access, affordability, and stability of required farming products. Over time, this has evolved through merging and modifying these entities to continue leveraging scope. Combining strengths over multiple regions and on a national scale. Improving their capital and often increasing their rebates back to the farmers. Each business strategically places itself to have an edge over other like-minded companies.

Appendix D: Agri-Retail Organisation Evolution

With the growth of co-operatives and business empires, the Agri-retail focus appears to be historically on a trajectory of business location expansion. Though farming systems have become more complex and technologically advanced, Agri-retailers have had to evolve into integrated service providers (Table D1). Diversifying to digitally connected, service-led providers. Spanning agricultural production and lifestyle needs. Despite the modern shift toward the modern Agri-retail landscape, all the companies still reflect their original roots. Helping farmers to remain productive, commercially viable, and supported within their local communities.

Table D1: Variation in origins of researched Agri-trade companies and how they have evolved over time

Organisation	Origins	Historical Development	Modern Agri-retail Evolution	Key Strategic Shift
Farmlands Co-operative Society Limited *Prior - Farmlands Trading Society Limited (Farmlands) & Combined Rural Traders (CRT) Limited* *(Farmlands, 2022).*	Farmlands were formed in 1962–1963 (Hawkes Bay) & CRT in 1960 (Otago)	Merging into a nationwide farmer-owned co-operative (2013) focused on buying power, shareholder value, and rural supplies. Expanded retail footprint and services nationally.	Evolved into a multi-channel rural services provider offering retail, horticulture, fuel, finance partnerships, technical support, and digital capability alongside traditional supplies.	Shifted from purely transactional farm supply purchasing toward integrated shareholder services and operational efficiency.

Farm Source **Parent Company – Fonterra Co-operative Group** *Prior – RD1* (NZ Farm Source, 2005)	Developed through Fonterra's farmer support network when the merger New Zealand Dairy Group and Kiwi Dairies to formed Fonterra. Originating as RD1 in 2002.	Rebranding to Farm source in 2014 Expanded alongside dairy intensification and the growth of integrated supply chain servicing within New Zealand agriculture.	Modern Farm Source stores combine rural retail, on-farm support, technical advice, finance offerings, and digital ordering systems linked directly to dairy farmers.	Shifted from supplier support toward vertically integrated servicing aligned closely to dairy production and data-driven farming systems.
PGG Wrightson *Prior - Pyne Gould Guiness (PGG) Limited & Wrightson Limited* *Also, other entities not noted* (PGG Wrightson, n.d)	PGG origins trace back to Christchurch general store in 1851 and later stock and station agencies servicing rural New Zealand. Also, other entities are not noted	Expanded through mergers including Pyne Gould Guinness and Wrightson Ltd, formally becoming PGG Wrightson in 2005. Developed extensive national rural networks across livestock, wool, grain, real estate, and supplies.	Modern operations include agronomy, horticulture, livestock services, water engineering, technology integration, and nationwide rural retail.	Transitioned from traditional stock and station agency roots into a diversified rural services and advisory business.
Ruralco *Prior - Ashburton Trading Society (ATS)* *(Ruralco,* 2025)	Began in 1963 as ATS, operations into retail farm supply stores (officially 1990).	Expanded from cooperative supply operations into retail farm supply stores (officially 1990) Ruralco registered in 2011 as a joint venture with Ravensdown with the ATS card and diversified rural servicing while maintaining strong regional identity.	Operates as a regional co-operative integrating retail, fuel, grain, livestock support, finance, and digital services for shareholders.	Maintained a "local-first" cooperative identity while adapting to increasing scale and service expectations.