



March 19, 2014

## *Your Edge in a Changing Marketplace: Thinking like a Retailer*

### **Additional resources and links on retailing and customer loyalty:**

#### **What is Customer Loyalty?**

This blog includes a great overview of principles for building customer loyalty, including inspiring, motivating, and educating people, solving problems proactively, soliciting complaints, writing thank you cards, wishing people happy birthday, and showing people the changes you have made. [www.customerloyalty.org](http://www.customerloyalty.org)

#### **Five Types of Customers**

This article by sales guru Mark Hunter explains five types of customers and how to work with them, including Loyal, Discount, Impulse, Need-Based, and Wandering Customers. [http://bit.ly/5\\_types\\_Mark\\_Hunter](http://bit.ly/5_types_Mark_Hunter)

#### **Ten Tips to Build Customer Loyalty**

Successful companies typically see "80% of business from 20% of its customers." These 10 basic tips include communication, employee training, flexibility, and not hiding behind technology. <http://bit.ly/10-customer-loyalty-tips>

#### **New App for Farmers Offers Incentives to Customers**

This March 2014 FMC newsletter article covers the new app available from Small Farm Central. [http://bit.ly/FMC-news\\_Farm\\_Fan\\_App](http://bit.ly/FMC-news_Farm_Fan_App)

#### **Continuous Innovation: The Key to Retail Success**

This Nielsen article shares results from a 2013 consumer survey that show U.S. shoppers buying patterns and shopping frequency. <http://bit.ly/nielson-retail-success>

#### **Follow the Consumer or Market to a Category?**

This 2013 white paper explores the "it" factor that allows some food companies to thrive in a down economy, theorizing that a "brains" (vs. "brawn") approach follows cultural movements by being trend centric, being an agent of change, being transparent and authentic, and by purveying "premium" experiences. The report specifically explores motivations for eating fresh, less-processed foods and recent redefinitions of "quality" that include attributes of local and sustainable. <http://bit.ly/brains-brawn-hartman-paper>

### **What Motivates People to Buy Local Food?**

This article offers an overview of results from a small 2013 study of consumers by the Institute of Food Products Marketing, finding that consumers expect local products to first be fresher, better-tasting and of higher quality, and then to provide other benefits such as supporting the local economy and knowing who and where their food comes from. Interestingly, the impact of food miles on the environment was one of the lowest-ranked dimensions of local foods. <http://bit.ly/PG-local-article>

### **Merchandising: Penn State Extension Retail Farm Marketing Video Series**

While geared towards growers and emphasizing on-farm stores, this three minute video on merchandising sums up all the means they can use to sell their products, and encourage the customer to buy as much as possible. <http://youtu.be/VnByiWyogP4>

### **Customer Service: Penn State Extension Retail Farm Marketing**

This Customer Service video helps producers and farm staff understand how to interact with customers and potential customers. While geared towards produce departments, tips are relevant to farmers market growers as well.

<http://www.youtube.com/watch?v=Mx7mRUtlpU4>

### **For more information on the presenters and moderator:**

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### **About the host organizations:**



*The Farmers Market Coalition is a national 501(c)(3) organization dedicated to strengthening farmers markets for the benefit of farmers, consumers, and communities. Through its membership, FMC reaches 4,000 farmers markets, supporting their success through education, and networking. Learn more at [farmersmarketcoalition.org](http://farmersmarketcoalition.org).*



*Through educational programs and regional marketing assistance for farmers, advocacy, and public outreach, the Pennsylvania Association for Sustainable Agriculture (PASA) seeks to promote profitable farms that produce healthy food for all people while respecting the natural environment. PASA's annual Farming for the Future Conference draws thousands of participants from more than 30 states and six countries each February. Learn more at [pasafarming.org](http://pasafarming.org).*

# Understanding Your Farmers Market Retail Image<sup>1</sup>

This activity is meant as an analysis and implementation piece following a presentation on branding and/or retailing at a farmers market.

## Your Mission

- Understand the retail image of the **competition** (other local food outlets)
  - Document the image they are portraying.
  - What are the key words used to describe this business?
- Understand **your own retail image** (of the market as a whole)
  - Have others document the image you portraying.
  - What are the key words used to describe this business?
- Help **your vendors** understand their place in your market
  - Vendors also can use page 3, “My Retail Image” to get a better understanding of the image they are portraying to customers

## Worksheets

- Page 2 – Their Retail Image - Analyze your brand through the competition
- Page 3 – My Retail Image – Analyze your brand through others
- Page 4 – My Brand – Action items to improve

## Instructions

- **Recruit** managers, staff, friends, customers and others to complete these forms. Using a non-frequenting friend/relative will help you see the business through a ‘different pair of glasses.’
  - Market managers can do competition form (page 2), but should have others help as well.  
NOTE: Page 2 is not a form for customers to complete.
  - You should do your own retail image (page 3) separate from others.
- **Give instructions.** Ask them to imagine themselves walking into your farmers market and complete the form as if they are entering for the first time.
  - Using this frame of mind, have them answer the questions on the sheet. Have them do this now to get a starting point.
  - NOTE: There are no “correct” answers, only answers that will make the market and staff think about improving their ability to retail products.
  - Have them complete this once a week the month before your busy season and then on through your busiest times.
  - Similar to a secret shopper program.
- **Follow up** with the people assisting you.
  - Do a quick interview. Take notes.
  - Combine ideas after all visits are done.
- **Use the information** to improve.
  - Use to best of the competition (the ones ‘doing it right’) to compare the market.
  - Compile notes. Use page 4 to write down three ideas or problems or ideas brought to light.
  - Make changes to your market’s image through board/vendor meetings, allowing them to give input on the way to correct perceived image problems.
  - Implement at least one marketing ideas each month based on input.
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<sup>1</sup> Eric Barrett, Ohio State University Extension, [http://u.osu.edu/directmarketing\\_barrett.90@osu.edu](http://u.osu.edu/directmarketing_barrett.90@osu.edu)

# Their Retail Image - Analyze your brand through the competition

This sheet is to be used to analyze your competition. It is best to leave this worksheet in the car, and then fill it out upon completing your visit.

1. What is the “Wow” I see from the outside of the store?
2. First thing I see as I enter the store...
3. Number of times their logo is visible in the store (one or twice, all the time, etc):
4. First friendly hello – how quick does this occur? What were employees wearing?
5. Were prices visible? Were there sales?
6. Did displays draw attention? What do you remember about them?
7. How many co-purchasing ideas (or bundling) did you see before getting to the register?
8. Most memorable part of the visit?
9. Most memorable ‘item’ you noticed?

# My Retail Image - Analyze your brand through others

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Thank you for helping us improve our market. This sheet is to be used to analyze our image. You can use this sheet as you walk around the market, but it is best to leave this worksheet in the car, and then fill it out upon completing your visit. NOTE: You may be using this sheet to analyze the market based on your previous visits. Simply write down what you remember from your last visit.

1. What is the “Wow” I see from the end of the isle at the farmers market?
2. First thing I see as I pull up/walk up...
3. Number of times the market name/logo is visible (one or twice, all the time, etc):
4. First friendly hello – how quick does this occur? What were employees wearing?
5. Were prices visible? Were there sales?
6. Did displays draw attention? What do you remember about them?
7. How many co-purchasing ideas (or bundling) did you see at booths before paying?
8. Most memorable part of the visit?
9. Most memorable ‘item’ you noticed?

# My Brand – Action items to improve

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- List the top three glaring items to improve upon OR the top three ideas generated.
- Develop these based on common themes based on input from page 2 and page 3 survey.

1.

2.

3.

# Farmers Market Vendor Gap Analysis

## Where are the gaps in products?

1. Have vendors list all products they expect to grow and sell on their application or renewal application for the year.
  - Let them know of up front that you will be doing a gap analysis.
  - They may be allowed to sell certain items, but not others.
  - Have group decide if limits set on number of vendors selling a specific product, i.e. – only 4 sweet corn vendors because market only has 20 possible stalls.
2. Create your own chart to get started
  - Enter data from current farmer vendors
  - Add even more new columns based on
    - Products at other markets
    - Customer requests (voiced to vendors, manager)
    - A customer survey at the market
  - Review chart with board, vendors.
  - What other products may bring in new customers?
3. Let current vendors know of holes they can fill in the gap analysis
  - “Nobody else is growing it.”
  - What else can we try?

Vendor	Tomatoes Early	Tomatoes peak	Tomatoes Heirloom	Sweet Corn	Berries	Stone Fruit	Pome Fruit	Value Added	Dairy Cheese	Eggs	Root Crops	Greens	Meat	
ABC Farm				x						x				
DEF Farm		x		x	x									
GHI Farm		x		x										
JKL Farm	x			x										
XYZ Farm				x		X		X						

## Top 10 Attributes of The Best Farmers Markets<sup>1</sup>

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A farmers market is an organized group of farmers who offer fresh, local farm products at a specified location at schedule times. Farmers markets are growing in number and size around the country. Why? Because the public is seeking fresh, local food from farmers they know and can interact with.

Farmers benefit from increased income from direct sales, promotion of their farm and an expanding customer base. Farmers markets are great business incubators for small farms and promote the importance of agriculture in the community. The economy can benefit from the increased traffic in the area, related activities during market times and keeping profits in the local economy.

There are good farmers markets and ones that could use a lot of improvement. But, what makes a Great Farmers Market? Many would argue which are the best attributes, but after working with many farmers markets in Ohio and visiting markets throughout the country, I have come up with a list of what makes “The Best” farmers markets. These markets:

1. Have a **marketing plan** and advertising schedule by month. This includes a website dedicated to the market and products offers. The plan includes social media like Facebook, Twitter, YouTube and others. The plan includes highlights of vendors and products which will attract business to the market.
2. Inspect vendors to verify they are producing what they are selling at the market. And, in cases where a local crop is not available, they are honest and upfront about the product belonging to another farm. Vendor farmers should list where the product was grown and why it's not local. This fosters confidence with the consumers to ensure they are getting locally produced foods.
3. Are **serious about a market manager** and have given the manager the authority to uphold the rules and regulations of the group.
4. **Do not skirt the rules** of the county or state. Instead, they work cooperatively to advocate for rules which support the sales and profitability of locally grown foods.
5. Involve the community through **activities and events**. They give back to the community through inviting fundraising activities or donating their excess produce to the local food bank.
6. Require **signage for vendors' booths and the products** they sell. A farm name starts the building of a brand. It distinguishes one farm from another. It tells a local story. Product information increase sales. If the market is busy, it is difficult to talk to every customer about every product. Signage tells your story for you, and provides a good return on investment. And, to project the proper image, the group will have a basic dress code for vendors with plain shirts and jeans or apparel with logos.
7. Provide **workshops for vendors** or work with other local agencies like Extension to provide educational workshops to improve vendors' booths, growing information and more.
8. Have **hours ALL Year**. Re-establishing a customer base each spring can be time consuming and expensive.
9. Complete a **vendor gap analysis** regularly to ensure a proper mix of vendors to meet customers' needs. Maple syrup producers are not located in every county. Fresh flowers are not grown year round. But, there could be a farm vendor who would be willing to grow that product and sell at your market. Be sure to have a complete array of products by tracking products offered.
10. **Make it fun** for vendors and customers. It's too easy to get caught up on the tiny, insignificant negative parts of any group or activity. Do everything you can to keep things fun – and your market will have a good, long life!

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<sup>1</sup> By Eric Barrett, Ohio State University Extension, Direct Marketing Team [barrett.90@osu.edu](mailto:barrett.90@osu.edu) Blog : <http://vegfruit.wordpress.com> Reviewed by: Julie Fox, OSU Extension Direct Marketing Specialist & Christie Welch, OSU Extension Farmers Market Specialist.

# Top 10 Strategies for Farmers Market Vendors<sup>1</sup>



1. **Tell your farm's story.** Post pictures of the farm with the owner and the employees who are working the market(s) in action shots. Have photos of them working on the farm in various settings to help customers make a visual connection with the farm and its products.
2. **Brand your stand.** Besides having a great logo and having it everywhere in your stand (aprons, farm sign, boxes, etc.), the stand should be tied together with colors, matching tables/table covers and pricing signage consistent with the image. Be known for something. Nothing is worse than another vendor offering the same product as you – and sometimes at a lower price! You can avoid getting caught up in price wars by having other great products and being known as having the best of certain products.
3. **Differentiate yourself as a grower** if the market allows resellers. If you are selling a neighboring farms' items – it should be posted as such. Consider going to farmer only markets. From our experiences, you'll probably notice the higher prices you can get for your products.
4. **Educate your customers.** Why should they be coming to your stand? Will they keep coming? Explain why your products are healthier, more sustainable, local and more beneficial to the local economy. Additionally, it is your job as a producer to be sure they understand current agricultural practices used to produce the food you are selling.
5. **Do some simple research.** Making a sale can be as easy as making conversation with customers. Ask questions which cannot be answered 'yes or no' or give them a suggestion regarding a product. Once they feel comfortable with you, try to find out what other products they may want to purchase. Then, find a way to grow those products for the market.
6. **Tell them how to use it.** Many items will not sell unless the consumer can see themselves serving it up for a meal. Offer recipes and tell them how to prepare – broil, braise, steam, blanche or just eat it raw! Encourage the market to have cooking demonstrations using the market manager, inviting local chefs or simply showcasing customers as masters of locally grown products in the kitchen.
7. **Provide convenience.** Make paying for items as easy as possible. Think about this when setting prices and when deciding what forms of payment to collect. Line decorative baskets in displays with the bags customers will take home so they can just pull it out and go about their shopping (and this may help with your food safety requirements). Consider recycleable, reuseable or biodegradeable bags. Let customers know what other markets you participate in and on what days those markets are open.
8. **Mix it up and make it colorful.** Even if you don't have a large mix of products available, consider growing a variety of colors/shapes of the same products to make the display and offerings look as new and fresh as possible. There are endless varieties available to 'mix it up a bit.' Try mixing different colors of tomatoes for a 'salad mix' basket, different romas for a 'sauce mix' or just a variety of similar vegetables/fruit to market towards smaller households.
9. **Pay more to be a vendor.** The more serious the business plan for the market, the more likely you are to be profitable as a vendor. Markets which pay a manager and pay attention to a succinct marketing plan seem to have more customers and happier, more profitable vendors. A great plan will allow customers to find market hours, location(s), website, social media and special events whenever and wherever they decide they need it. And, as a market grows, do not be afraid to help start a second market with a different focus.
10. **Work with the community.** Whether it's the chamber, tourism bureau, business improvement district or a non profit – find a way to connect and partner to better the entire community. Accept coupons for nutrition programs and other government programs which will help many segments of the local population.

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<sup>1</sup> By Eric Barrett and Hal Kneen, Extension Educators, OSU Extension. Based on a market research trip through New York State and New York City visiting fourteen farmers markets. This project was sponsored by the OSU Extension Specialization Grant Program and the James M. Barrett Family Endowment Fund. Eric Barrett – [barrett.90@osu.edu](mailto:barrett.90@osu.edu) ; Hal Kneen – [kneen.1@osu.edu](mailto:kneen.1@osu.edu) visit our blog at <http://vegfruit.wordpress.com>