

Marketing Strategies for Tennessee's Farmers Markets



Center for Profitable Agriculture

A University of Tennessee - Farm Bureau Partnership

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Session Snapshot

- What is marketing?
- Customer values
- Goals of marketing
- Importance of goals
- Marketing strategies for farmers markets to meet goals

Marketing is...



Planning and executing a set of objectives to bring buyers and sellers together so that a sale can take place

Marketing begins with a plan...

Failure to plan
is planning to fail.



Linking Seller and Buyer

- The seller's four Ps
 - Product
 - Price
 - Place
 - Promotion
- The buyer's four Cs
 - Customer benefit
 - Customer cost
 - Convenience
 - Communication



Marshall, Maria I. *The Marketing Mix: Putting the Pieces Together*. Available online
<http://www.foodsci.purdue.edu/outreach/vap/materials/marketing.pdf>

Goals of Marketing



1. Identify a target audience and needs



2. Attract the target audience to the enterprise



3. Entice the target audience to spend \$\$\$



4. Create a desire in the audience to return

Goal #1: Identify a target audience
and needs





What is a target audience?

- A portion of the population with a
 1. Need that your business/product can fulfill
 2. Willingness to purchase
 3. Ability to purchase



Importance

- Rifle vs. shotgun approach to marketing



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Farmers Market Target Audiences

- Over $\frac{3}{4}$ of consumers female
- Majority 36-50 years old
- At least some college
- Almost all have incomes $>$ \$30,000
- Visit an average of 1.68 times/month
- Urban
- Live within 20 miles of farmers market
- Families with children

Govindasamy, Ramu and Rodolfo M. Mayga, Jr. *Characteristics of Farmer-to-Consumer Direct Market Customers: An Overview*. Journal of Extension. August 1996. Volume 34, Number 4. Available online <http://www.joe.org/joe/1996august/rb1.htm>.





Why Consumers Visit Farmers Markets

- Quality of products
 - Fresh
 - Clean
 - Free of defects
- Variety of products available
- Connection with farmers
- Support for local farmers
- The experience



Marketing Strategies for Farmers and Ranchers. Available online

<http://www.sare.org/publications/marketing/market01.htm>



Why Consumers Visit Farmers Markets

- Most consumers use products for fresh consumption
- Most customers perceive prices lower than grocery store



Govindasamy, Ramu and Rodolfo M. Mayga, Jr. *Characteristics of Farmer-to-Consumer Direct Market Customers: An Overview*. Journal of Extension. August 1996. Volume 34, Number 4. Available online <http://www.joe.org/joe/1996august/rb1.htm>.



Why Consumers Visit Farmers Markets

“People today are looking for a **connection**, not just a quick change-maker... People are looking for a real **experience** at the farmers’ market; they’re not looking for another cashier at the grocery store.”

Gretchen Hoyt, Alm Hill Gardens, WA

Goal #2: Attract the target audience
to the enterprise





Importance

- Must have customers to make sales
- Target audience is group most likely to purchase



Location

- Busy, centrally-located
- Visible
- Safely and easily accessible
- Has adequate parking
 - Adequate space
 - Close to market area
 - Safely and easily accessible
 - Clearly separate parking and selling areas
- Access to electricity and water
- Access to restrooms
- Access to garbage disposal facilities
- Signage



Word-of-Mouth Referrals

- Satisfied customer will tell four or five others about a pleasant experience
- An unsatisfied customer will tell seven to thirteen others



Wreden, Nick. *How to Recover Lost Customers*. Available online

<<http://www.smartbiz.com/article/articleview/112/1/7/>> April 14, 2005.



Advertise

- Newspaper
- Flyers
- Direct mail – brochures, newsletters
- Web site
- Pick Tennessee Products Web site
- Shopping bags



Publicity

- Local newspaper and radio calendar of events/local happenings
- Invite members of the press to “Press Day at the Market”
- Human interest stories about the market, vendors or customer visits



Special Events/Special Feature Days

- Music
- Contests
- Demonstrations
- Craftsmen or artisans

Goal #3: Entice the target audience
to spend \$\$\$





Importance

- Cash registers ringing is the goal
- Don't leave \$\$\$ on the table



Number of Venders

- 10 + venders
- 1 vender per 800 residents
- Important to foster a feeling of cooperation among vendors



Marr, Charles and Karen Gast. A Guide to Starting, Operating, and Selling in Farmers Markets. Direct Marketing Alternatives. 1995. Available online <http://ag.arizona.edu/arec/pubs/dmkt/AGuideto..FarmersM.pdf>



Vender Product Pricing

- Price to earn a profit
- Can offer a discount for quantity purchases
- Emphasize quality and value of products
- Be positive - do not apologize for prices
- Be aware of other vender prices
 - Do not deliberately or drastically undersell others
- Likely better to dispose of picked-over produce than to lower prices



Visual Appeal

- Customers buy with their eyes...
 - Fresh
 - Clean
 - Visually appealing displays
 - Bountiful displays (fully-stocked)
 - Pest free





Displays

- Elbow to eye level
- Keep produce in shade if possible
- Keep containers full
- Color contrast
- Attractive containers





Sampling

- Allow customers to squeeze and thump if necessary
- Better yet, let them taste





Extend Visit

- Offer refreshments for sale
- Provide place to sit and rest or talk
- Provide restrooms
- Provide entertainment

Goal #4: Create a desire in the audience to return





Importance

- It costs three to five times more to replace than to keep a customer



Wreden, Nick. *How to Recover Lost Customers*. Available online <<http://www.smartbiz.com/article/articleview/112/1/7/>> April 14, 2005.



Encourage Vendors and Employees to Provide Excellent Customer Service

- Display a positive attitude
- Be well-groomed and look neat
- Immediately welcome customers with a friendly greeting
- Be friendly and courteous
- Smile and use positive body language
- Be knowledgeable about products
- Be knowledgeable the farmers market and vendors



Encourage Vendors and Employees to Provide Excellent Customer Service

- Have all supplies on hand
 - Bags, change, display bins, accurate scale, price signs, brochures, etc.
- Have enough people available to assist customers
- Listen to customers
- Use the name of the customer when possible
- Maintain eye contact with customers
- Promise only what you can deliver
- Thank customers for their business
- Invite customers to come again



Encourage Vendors and Employees to Build Relationships with Customers

- Provide information to customers
 - Product storage advice
 - Recipe ideas
- Tell/show the farm story
 - Display pictures of the farm
 - Distribute brochures
- Learn about the customers
- Collect customer contact information to send newsletters



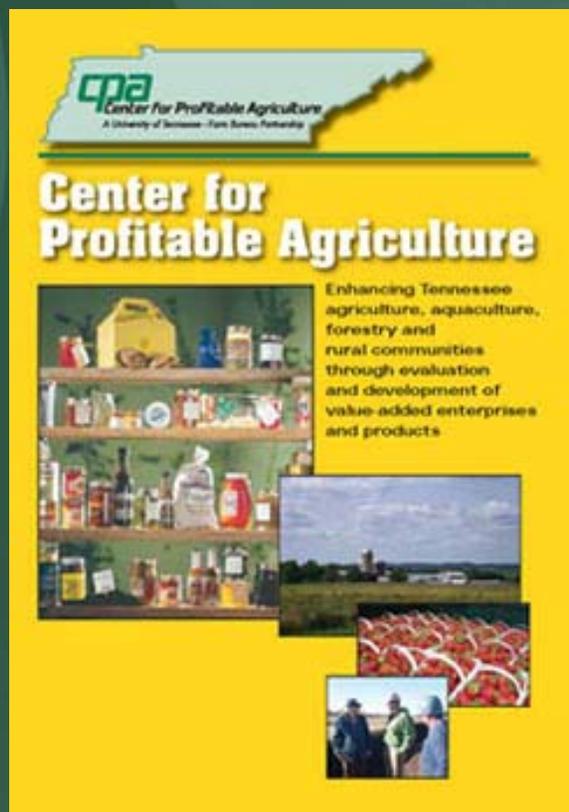
Respect the Customer

- Ask customers for feedback and take responses seriously
- Consider holding customer service training for market employees and vendors
- Remember...it's about the experience

Session Summary

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Contacting the Center



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