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New Directions in Marketing for Farmers' Markets



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Introduction



Managers play a critical role in the success of farmers' markets and in the economic future of small farmers. Managing a farmers' market requires many different skills and a broad spectrum of knowledge on everything from vendor recruitment to health codes. With all of these responsibilities, it is possible to neglect marketing and promotion.

In writing this guide, our goal is to help managers understand and identify simple and practical strategies to increase market traffic and sales. Since each market is unique, with different goals and different types and numbers of customers, the techniques in the guide are adaptable. Each manager can develop his or her own strategies to meet goals for sales, revenues, and customer satisfaction.

Finally, we see this book as a practical guide for farmers' market managers. The techniques in the guide are designed to be useable. One of our goals is to give you the tools that will move you to implementation and action. We will provide a theoretical background on why a technique will work, but then show how the technique can be used and the expected outcome for that technique. Once you start applying these techniques, you will become more comfortable with marketing and start seeing the impact that marketing and promotion can have on your market.



Marketing language



CHAPTER 1

Introduction

This chapter will provide a brief overview of farmers' market trends and the changing needs of your customers. It will also familiarize you with common marketing terms. Since we can all have different understandings of what words mean, this chapter will give us a common language and understanding of the vocabulary that will be used in later chapters.

New trends in farmers' markets

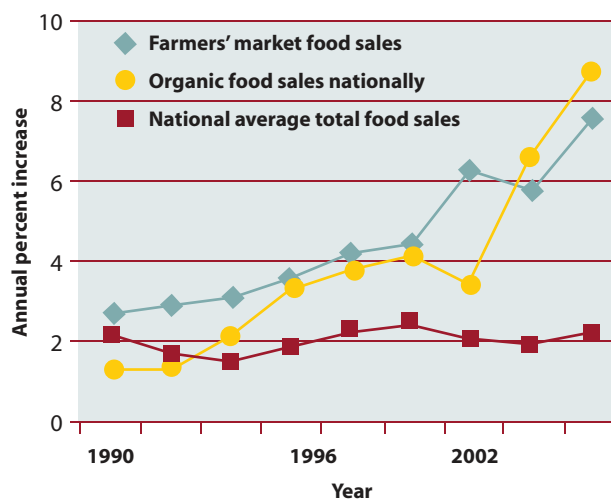
The earliest records of commercial American farmers' markets are found in the late 1680s in places such as Boston, Massachusetts and Roanoke, Virginia. Craftsman and merchants in growing towns and cities needed fresh fruits and vegetables to feed their families. Without modern refrigeration, these products needed to be sourced locally from farmers, often in exchange for goods and services.

Much has changed since the 1600s. As we begin the 21st century, the landscape of the food retail and wholesale network has grown into a \$122 billion business in the United States. The food industry reaches every person in the nation regardless of income level. Despite the dramatic expansion of this industry, farmers' markets have persisted, and are currently experiencing a re-emergence fueled by changes in how consumers view products at farmers' markets.

As the chart below shows, the rate of increase since 1990 in sales from farmers' markets is twice the national average of total retail food sales. It is the second fastest growing retail food delivery system in the United States next to retail organic cooperatives.

Surveys conducted by the American Food Growers of America suggest that public confidence in the quality of foods provided at farmers' markets rose 40% since 1990. Not only do local products taste better and have a longer shelf life once purchased, but they are also perceived as safer. Think of the recent food scares involving Salmonella and melamine. Americans are becoming increasingly aware of where their food comes from and how it is handled.

Figure 1. Increase in food sales annually



Further, studies show farmers' market customers generally have higher incomes and better education than that of the average food consumer. In essence, farmers' markets are being "reborn" in the minds of consumers.

The Department of Agriculture in a 2004 study concluded that farmers' markets as a retail segment would grow more than 6% per year for the next 10 years.

As we discuss our marketing plans and directions, we must first realize that in

the minds of consumers, farmers' markets are well respected and are increasingly utilized for purchasing consumer food products. We will explore how you, as the market manager, can take advantage of the interest in farmers' markets. We will look at resources and techniques to increase revenues for your market. Next let's talk about some common definitions and explanations of techniques before we begin to discuss how to implement them.



Marketing language

Have you ever heard the term "techno speak"? In the 1990s Bill Gates coined the term to describe the vocabulary that information technology experts use. He saw this specialized language as a barrier to consumers. If consumers didn't understand the words, how could they become comfortable using a computer? Increasingly, each industry has its own language and expressions. Marketing is no different. To begin, we need to establish a common vocabulary that we can

use throughout this guide. In this section we will define the terms and expressions that we will use in future chapters.

This list will serve as a reference. You can come back to it when you need a review or more in-depth information.

Marketing: The practice of communicating a message about a good or service that empowers the seller and results in an action by a buyer.

This definition embodies the most important elements of this book. Instead of theory, we will teach you practical marketing skills. We will focus

on how to communicate the value of the products and services farmers' markets offer. Our goal is to empower you to use these skills to bring consumers into your marketplace to engage in the farmers' market experience. Once the customer is at your market, we want them to have a positive experience. We want them to purchase products they feel enrich their lives.

Active marketing: The process of engaging in messages to consumers that result in immediate or near immediate action.

Active marketing has replaced passive marketing as the choice of most companies today. In 1960, 78% of all budgets for marketing were spent on newspapers, radio, and television ads. Of that amount almost all of it was passive, which means it conveyed a message on a product or a service but did not call the consumer to action. In 2005, active marketing using direct forms of coupons, point-of-purchase advertising (advertising at the location where the item or service is sold), slotting (positioning of a product on a shelf or in a market), and computer "cookies" (a computer tag by which an online retailer identifies you, tracks your shopping on their site, and identifies products that may be of interest to you) accounted for 65% of all dollars spent on consumer marketing. The world of marketing is more immediate today and the techniques we will use are designed to make consumers act.

Immediate marketing: Marketing technique that emphasizes temporary improvements in value for a consumer that must be reacted to in the near future.

We experience immediate marketing on a regular basis. It may be an e-mail that gives you 20% off and free shipping on your purchase made in the next four days or it may be a grocery store special for "two days only." The goal is to move consumers past any indecisiveness they may feel about a purchase.

Promotional planning: Outlining the promotional tools or tactics you plan to use to accomplish your marketing objectives.

Nearly 85% of all advertising today is promotional in nature. The science of promotions (getting the word out) will be a primary focus of our active marketing techniques. The goal of promotional planning is to reach out to individuals and encourage them to act.

Value: The set of qualities that allow a good or service to fulfill the customer's needs and desires, as opposed to simply benefiting the seller.

This is an important concept in marketing. The consumer has preferences for how and when a product or service is purchased. Many advertisers and retailers associate value with price. The lower the price the better the value and the more likely the consumer will purchase a product or service. However price is not the only factor customers use when making a purchase.

As figure 2 suggests, a recent study featured in *Consumer Reports* determined that value for consumers is a complex collection of preferences for things like quality, accessibility, safety, and need. While price is one of five elements of value, the consumer reacts to all of them. In order to have markets that aren't competing simply on the basis of price (which hurts profitability and sustainability for the vendors and the market), it is important for markets and vendors to promote all of these elements. Customers don't need to get the lowest price to feel like they have value. Value must also be meaningful for the seller, meaning that the strategy must result in a profit.

Optimal product mix: The array of products that allow you to sell the most to a consumer or group of consumers.

A single product does not drive consumers. How many customers would you have if you only sold potatoes at your market? When you add new products or a larger quantity of a product, you add to your market's sales opportunities. You will attract more customers to your market because of a more diverse selection. Customers will be able to buy more of the products that they might otherwise buy at the grocery store from local vendors.

Optimal marketing mix: The unique set of strategies when properly implemented that maximize sales, margins, or profits for the seller.

This includes passive, active, direct, and indirect advertising and is sometimes referred to as "blending." We will also discuss vertical marketing (targeting a specific demographic) and horizontal marketing (two companies producing different products jointly market their products) mix strategies. No one technique works for every situation at every point in time. Strategies shift in response to changing consumer needs.

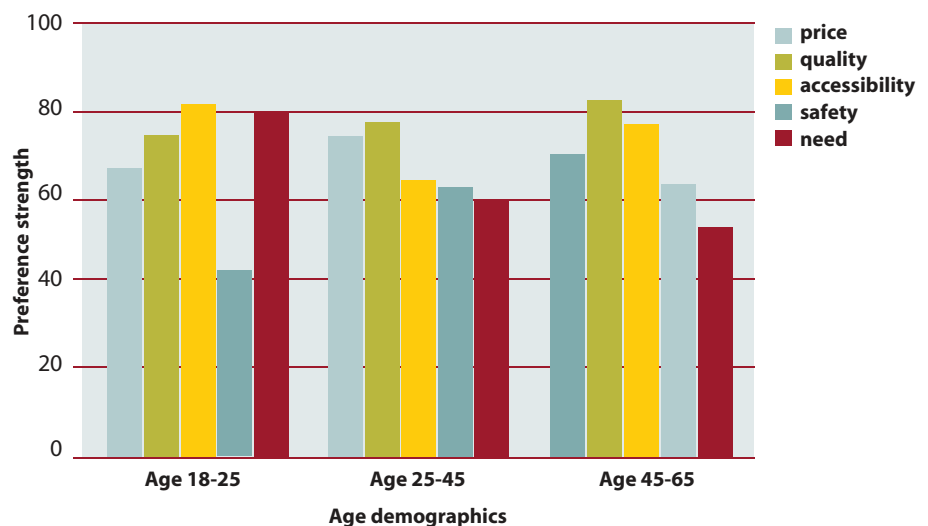
Sales: Gross receipts generally in cash received from consumers in exchange for products and services.

This is the most widely used benchmark for success in the United States. However, a blended mix of sales, margin, and profit is a better benchmark than sales maximization.

Margin: Amount of profit generated from selling a product versus the cost of growing or purchasing it.

Vendors at farmers' markets have a lot invested in a crop before it arrives at market. They've bought the seed or transplants, soil, pots, fertilizer, and pesticides and invested a lot in labor. The same is true of non-produce vendors. These costs must be deducted from what the vendor receives from his customers in sales, including the unsold products that can't be sold elsewhere. A vendor could take in \$1,000 in sales on a Saturday morning, but if his production and sales costs were \$1,200, he lost money by coming to the market. It is critical that vendors understand their production costs and the costs associated with selling the product at the market in order to profitably price their products.

Figure 2. Stanford University value index, 2006





Customer service: Valuable human interactions that enhance the shopping experience and the product's value.

Customer service is an important aspect of farmers' markets for managers and vendors. Customers need to feel comfortable and welcomed in order to commit to the shopping experience. For market managers, this may mean supplying volunteers to answer questions, provide information, or seek out vendors requested by patrons. Vendors should have enough friendly and knowledgeable staff to connect with customers.

Interest-based bargaining marketing: Looking at the purchase of products as being of joint interest to suppliers, retailers, and consumers.

This is an important strategy for farmers' markets. This marketing method looks at the purchase of market products as beneficial for customers, vendors, and managers. Customers are purchasing healthy, high quality products from local vendors. Vendors are receiving income for their time and labor. And managers benefit from increased market traffic and increased demand for market stalls.

Conclusion

We began this chapter with the idea that consumers are becoming more aware of farmers' markets and their products. Marketing for your farmers' market will be based on your location, products, customers, and your market's goals or mission. Once you can identify who you are and where you're going as a market, this guide will help you to develop a series of well thought out, individualized, and empowering strategies. As the market manager, you will reach out and draw new consumers to your market. This, coupled with insuring high customer satisfaction, will increase sales and visit frequency, thereby attracting new vendors and enhancing your market's diversity.

Marketing is an imperfect process. It requires diligence and discipline to track, monitor, and adjust techniques to improve your strategy's success. Marketing projects and goals can be big or small, easy or difficult; the key is to move in a positive direction.

As we move through the succeeding chapters, come back to these definitions whenever you feel unsure of a term's meaning. This chapter is a reference and vocabulary list for the rest of the guide. Refreshing your understanding of the terminology will help you gain a better understanding of the material and reinforce your knowledge.

Exercises

1. Discuss your favorite retail experiences. What made them positive? Why did they leave a lasting impression on you?
2. Describe in 25 words or less your favorite retail store and why it's your favorite.
3. Search the web and find five sites that you feel are exciting and convey a clear message to the consumer about food products. Describe what you see as the website's strategy, what attracted you to the website, what feelings you had about the products, and why you had those feelings. How informational was it and what did you learn?

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Marketing strategies—The starting point



CHAPTER 2

Introduction

The goal of this chapter is to introduce four types of marketing strategies. Once you know these strategies and how they apply to farmers' markets, creating a marketing plan for your market will be easier.

A strategy is simply a plan to reach a goal. In the case of marketing, they are coordinated, long-term plans. A marketing plan is not reactionary, short-term, or driven by immediacy. Our plans will focus on ways to reach existing and new consumers. Our goal is having them purchase products and enjoy their experience at the market.

This chapter presents several specific strategies for your market. We encourage you to mix and match strategies that best meet your market's needs. All forms of marketing strategies can work. You have to decide which ones are the most effective for your situation.

Strategies

In defining the strategies, we focus on how information about your farmers' market or products is communicated to the consumer. Four types of general marketing strategies are used: active, passive, direct, and indirect. Almost all marketing begins by moving in one of these four general directions. At the heart of all of these marketing strategies is communication. Communication—both formal and informal—is the basis for creating a successful strategy.

Active strategies

Historically, marketing strategies were media-based (e.g., television, radio, newspapers). In the 1980s and early 1990s, 71% of all marketing expenditures were spent on these outlets. Businesses believed that clever advertisements delivered through the media led to sales. For the most part, they were right. In 1989, JD Powers and Associates published an analysis of food sales and determined that information from newspapers or television accounted for 76% of all consumer transactions.





With the advent of the personal computer in the 1980s and the expansion of the dot.com revolution in the 1990s, consumers altered their habits and their sources of information. The National Advertisers' Association stated in its 2005 national survey that 71% of U.S. households had the internet or access to it daily and that 80% of those consumers used it as their sole source of product information.

In the book *Bowling Alone: The Collapse and Revival of American Community*, author Robert Putnam described a 21st century household having less than two hours a day to refer to television, radio, or newspapers. Newspapers and radio are being replaced by online viewing and portable digital players for many individuals. Clearly, we must find new ways to reach consumers.

Active strategies are defined by two broad methods: point-of-purchase advertising and direct selling. Customers only spend a small amount of time at the market, but these two strategies can make the most of that limited time.

Point-of-purchase advertising informs consumers about the product where it is displayed. Instead of relying on a commercial to stay in the consumer's mind all the way to the grocery store, advertising is done in the store through things like packaging, displays, and on-shelf coupons. Simply marking the product with price is not enough. Signage today includes photographic images, product information, "take with" brochures, and colorful packaging.

Active strategies at the point of purchase focus on the first 30–60 seconds of a customer viewing the product. It takes less than a minute for customers to decide to buy a product. Procter & Gamble conducted 300 focus groups nationally in 2005 and determined that 74% of all consumers' decisions were impulse- or response-driven. This simply means that their decisions were made based on what they saw and how they felt in that moment. Think about how important display, signage, cleanliness, and customer service are to the sale and to customer satisfaction.

The second major strategy for active engagement of the consumer is direct selling. Direct selling is actually the oldest form of consumer active strategies. In the 1930s and 1940s every major retailer in any industry saw direct contact with consumers as the best way to sell products. The *Chicago Tribune* in 1939 noted "customers expect to be treated to the highest level of service before deciding to buy any product." However, by the early 1960s the age of television had changed consumer buying habits. Retail associates were no longer viewed as trusted experts. A 1988 *Consumer Reports* article noted that consumers no longer relied on sales associates to inform them, citing "misinformation as the most concerning part of the retail process."

However, in today's world, people don't have as much time to make decisions. In order to make good purchases, we rely on sales associates to help us make choices about everything from digital cameras to diamonds. It is no different at the farmers' market. Customers want to know which winter squash stores best or which basil to use for pesto. In 2005, the University of Michigan noted "that consumers' trust in retail associates at stores had increased significantly." We agree with them, especially in places like farmers' markets where direct selling has a competitive advantage.

Passive strategies

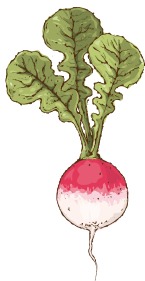
Traditionally, passive marketing was done through regional newspapers and local television stations. While they reached large audiences, these methods were less effective because they failed to directly target potential customers. As we discussed in the first chapter, the farmers' market audience today is generally younger, more educated, and desire information and education when making food purchases. You can educate these consumers through passive marketing strategies including websites, blogs, social networking, newsletters, and electronic mailing lists.

The internet is the single biggest way to reach your audiences. Today, more than three million consumer messages are added to the internet each hour. Consumers use the internet seven times per week, often looking for food products, recipes, and nutritional information. Later we will discuss possible ways to connect people with your market, including: hosting a website, forming a web page on a separate site, and linking.

Additional options exist in printed advertising. The use of community newspapers is emerging as an excellent source of inexpensive advertising. Today community newspapers target small geographic regions and feature local events like farmers' markets as both advertising and feature news stories. Corporate newsletters may also be an option for your market. The Bureau of Printing in Washington, D.C. reports that 87% of all corporations now have an employee newsletter, making it an excellent way to get the word out to potential customers. Advertisements with "bounce back coupons" are another print option. This entails offering a brochure containing coupons for the current day and for the following week, and frequently inspires repeat visits. Coupon usage is one of the greatest factors in inspiring repeat customer visits to a business.

Direct strategies

Direct strategies move a potential customer from a browser to a buyer. They make a consumer aware of a product, help him or her to understand it and see it as something desirable to his or her life, and end in a purchase. Plus, their effects extend beyond the initial purchase, including regular attendance and increased purchasing. Direct strategies create a more defined and more quickly understood image of why a consumer should buy from one retailer versus another.



We will focus on the direct strategy of branding or brand identity, which entails creating a distinct image for your farmers' market. This image should encompass the concepts of quality, selection, price, accessibility, and credibility. Customers buy products for very specific reasons. Once we understand what people value, we can take action to ensure that our customers have positive reactions to the market, the vendors, and the products we sell.

Today, retail food providers attempt to brand their in-store look for consumers. Stores create an image and a feel and stock products to attract certain groups of customers. Natural food stores, European-style groceries, Asian markets, and neighborhood groceries each try to appeal to a certain customer base and to deliver on that appeal.

How does one create a positive brand image? IMG, one of the largest marketing agencies in the United States, suggests the process involves sending consistent messages to the consumer. It can be through media, direct selling, or packaging. The important part is consistency. All of these parts must tie together and be part of one unified image. Image is very tangible. In this process of branding we will discuss developing a logo, a slogan, colors, and artwork that will enhance your image.

One example of a unified image is the retail store Target. It repeatedly uses the same themes, images, and fonts in its commercials, signs, and even in its employee uniforms. When you see Target advertisements, brochures, or sales associates, you generally see the color red, a bull's eye, and block lettering. The messages conveyed by the ad's images—happy families, smiling faces, and active young people—become intertwined with the visual representation of the brand, the logo.

Credibility is also essential as a direct strategy. Credibility is based on quality of product, respect for the consumer, and consistent product delivery. It is the most difficult type of image to create but the most lasting once created. Companies like IBM, Whole Foods, and Nordstrom's are examples of high credibility companies. They have increased their effectiveness by branding rather than just through the products they sell. Your market can do this, too.

Indirect strategies

These are often overlooked but equally important in building a consistent message for your farmers' market. Indirect strategies, also called public relations, seek to bring people to the market, but not necessarily purchase a product. Indirect strategies are often low-cost or no-cost. Some options that might work for market managers include:

- networking with civic and business groups
- public service announcements (PSAs)
- co-sponsorships and co-branding
- teaching and training

Networking at civic and business organizations such as the chamber of commerce, Kiwanis, Jaycees, or Rotary is an excellent way to disseminate information about your farmers' market. These organizations are always looking for speakers, and this networking can connect you with high-level decision makers. Increasing the number of people who know about your market through informed third parties is an important aspect of indirect marketing. Networking can also include asking local businesses to post or distribute your flyers. Restaurants, banks, and libraries are excellent places to support the farmers' market message.



PSAs are underutilized by farmers' markets. The Federal Communications Commission (FCC) requires newspapers, television, and radio stations to devote space or air time to PSAs. Local media will welcome your announcements about the market. Pertinent information (e.g., dates, times, events, and selected activities) can be disseminated to major media outlets, websites, and corporation newsletters. Stations may carry a PSA for up to six months, which is often a market's entire season. You can work with station managers to target audiences by time of day and day of week.

Co-branding, or lifestyle marketing, is the newest marketing strategy. It occurs when companies with similar audiences share marketing networks to further their individual messages.

Finally, teaching and training can help to spread the word about your farmers' market. Adults and children are eager to learn about local farming, healthy lifestyles, and the environmental benefits of eating locally. Join with people already working in these areas and recruit volunteers and vendors to help during the off-season. Holding market seminars will add value to the experience, and it may yield a corporate sponsorship and increase attendance.

While indirect strategies can effectively supplement other marketing strategies, they are relatively ineffective on their own. Because these methods can be used to enhance active, passive, and direct marketing strategies, we will refer to them in each of these chapters instead of granting inactive strategies a specific chapter

Conclusion

Marketing strategies are the first step in building effective results for your farmers' market. They require a long-term commitment of time and direction to ensure success. They are more effective as part of an integrated plan, although all plans usually emphasize one strategy over another.

Exercises

1. List your favorite food products. Talk about the reasons the products appeal to you.
2. Go into a store and evaluate a point-of-purchase presentation. What did you like about it and what did you dislike about it?
3. Go into a supermarket and evaluate the use of colors and signage. Did they make the food more attractive? Why?
4. Listen to the radio or read the newspaper looking for a PSA. Was it effective? If so, why?
5. What are your favorite brands? What makes them credible?

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Active marketing strategies



CHAPTER 3

Introduction

As you will recall, active marketing strategies focus on products and consumers. We will use active marketing strategies as a basis for developing specific market goals. These goals will assist you in developing a plan to maximize your customers' awareness of the products sold at your farmers' market.

We will focus on point of purchase and direct selling. The first active marketing topic concentrates on merchandise and inventory presentation and the second on personal selling by management and vendors.

Engaging vendors as part of the marketing strategy is important. Vendors have the greatest amount of customer contact and can do the most to directly impact the customer experience. They can also gather feedback from customers. The commitment of vendors to providing customers with a positive shopping experience is vital to the success of a market. For these strategies to be effective, vendors must also take an active role in meeting customer needs.

Point-of-purchase marketing

The earliest use of point-of-purchase marketing strategies occurred as early as the Roman open air markets. These sellers used brightly colored boxes and signs to differentiate themselves around the market. Sears, Roebuck, and Co. refined a more modern version of point-of-purchase signage. They sought to unify the appearance of their stores beginning as early as the 1930s.

In recent years, food retailers have been at the forefront of point-of-purchase retailing. Pictures, smells, color, fabrics, and innovative shelving have replaced the stark plain appearance of stores from just 20 or 30 years ago.

Recent books such as *Food Retailing and Consumer Preference* by Judy Wolf and Mark Whalen's *Food Revolution* argue that more than 80% of people who buy food are influenced by in-store presentation and not by TV or print advertisements. This information spurred grocery stores to spend more than \$800 million in 2007 on increasing the effectiveness of their point-of-purchase strategies.



Simple rules for point-of-purchase marketing

Consumers want to feel comfortable where they shop. Daniel Shorr in his book *The Retail Decision* indicates that consumers will decide within 30 seconds if they are comfortable in a retail environment. Survey results from this book suggest that the more comfortable a customer is, the more likely he or she is to stay and purchase products.

Farmers' markets are somewhat unique in that they are normally a consumer destination. In a University of California study, 86% of customers intentionally decided to visit the farmers' market. However, their decisions of what to buy and from which vendor were predominantly based on their experience once they arrived at the market. What they bought, how much, and from whom are decisions they made at the market—at the point of purchase. The actions that you take are important in engaging your customers and increasing your sales. To accomplish this we need a plan.

The guidelines for an effective farmers' market point-of-purchase marketing plan are as follows:



Uniformity—The booths should look as similar as possible. Create a seamless environment. Consumers want the feeling that all vendor stalls are related. This should extend to the individual vendors. Uniform presentation is important to success for everyone. This may mean mandating the color and size of tents at your market, creating uniform signage or guidelines for signs, and establishing guidelines about setting up booths (e.g., no ground displays, all vendors must use table cloths, tables should be set up parallel with the front of the stall instead of L-shaped or V-shaped). It may also include reserving the right to move vendors in order to fill vacant spaces and create a continuous row.

Inform—This is very important. Your market should stress colorful but tasteful signage. Handwritten signs on cardboard or white paper are not recommended. However, a sign neatly written on a chalkboard with colorful chalk conveys an informed, upscale image. This is simple but effective. Information about production methods, farm location, health benefits, and nutrition is great. But, again make the presentation of information consistent. As the manager, you can control how it looks and what it says. The more you condition your consumers to see a consistent image the more likely they will read it and believe it. Credibility is based on presentation, not just research.

Sensory—People are attracted to colors, scents, and things they can feel. Farmers' markets are a sensory experience. Be sure to create attraction points. You should have places to sample interesting foods and beverages. Variety is critical to creating a positive sensory experience.



Presentation—Consumers notice packaging. Much research has been done on what containers sell products and how they should be positioned. Containers are just as important as the product they protect. A University of Kansas study found that packaging in outdoor markets affected 35% of the total decision to buy a product. Fruits and vegetables that are in appropriate and colorful plastic or fabric containers are more effective than cardboard containers or no containers at all.

Display products side by side that sell well together. Products presented together can increase sales by 20–25%. “Add on” techniques, or suggesting a related product that a customer might like, are also effective.

Some simple rules apply. First, never sell from the ground. Consumers rarely buy products from the floor. Instead, always put things on tables or shelves. Products should be clean, and they must look good all the time. As products sell, fill in the gaps with either more of the product or a different one. Pricing on products should be clean, neat, and easy to see. Use color that is pleasing and related to the product. Pre-made signs, however, are better and convey the professional image consumers want to see.

Also consider the role of lighting. Natural lighting at outdoor farmers’ market can be used to highlight the color, size, and cleanliness of some products. Other products wilt in direct sun, undermining their appeal. For indoor markets and roofed markets, lighting can play a greater role, because it can be directed to draw the eye of a consumer to your products.

Plan-o-gram

A plan-o-gram is an important tool to help you make decisions about the layout of your farmers’ market or stand to make it appealing to your customers. Plan-o-grams develop a point-of-purchase plan. You can see from the plan-o-gram example below that it is simple, but comprehensive. The layout of a vendor stall involves the positioning of display tables and shelving, location of products, signage, smell, and color. The plan-o-gram is an interactive, dynamic document. It should change each week in response to product availability and customer buying patterns.

Some managers extend the plan to include all stalls in the market. An example of this is provided at the end of this chapter. The goal is to look at the relationship of one vendor to the other. A simple example of an effective strategy is to put a bread vendor next to a cheese vendor or a coffee vendor next to a dessert vendor. The goal is to provide interesting points for the consumer and opportunities for co-branding.

Kiosk plan-o-gram for fruit stand

Stand, tiered	Table				Stand, tiered
Blueberries	Raspberries	Blueberries	Cherries	Raspberries	Raspberries
Jams	Raspberries	Blueberries	Cherries	Raspberries	Jams
Tablecloth: white/blue stripe pattern					
Containers: yellow baskets					
Total units: each fruit section 3 by 3					
The main table is 36 units.					
The back stock is 36 units.					
Price tags					
Multiple sales					
2 for \$5.00					

Final thoughts on point-of-purchase marketing

Point-of-purchase marketing is a learned process. You must start with your plan-o-gram and react to what you learn from your vendors and, most importantly, from your consumers. A common technique is to photograph each plan-o-gram when it is done. How does it look to you? Does it convey the message you were seeking? Visual reactions are the best training for improving your point-of-purchase techniques.

Next, study the competition. Go on the internet. Look at other farmers' markets. What can you learn from what they are doing? Go to upscale and healthy choice food stores. Look at their displays and product positioning. Study the pricing presentation. Actively reviewing your competitors' efforts is as important as learning from your consumers.

Finally, listen to the consumers. You may not always like what you hear but it can be rewarding. Using their input can help you to improve your plan-o-gram and ultimately to increase sales.

Direct selling

Since the consumer is your market's lifeblood, engaging them is critical. As we discussed in chapter two, many retailers know that engaging the consumer involves not simply good product presentation, but also interpersonal communication. Direct selling does work, and it will work for the vendors at your farmers' market.

Direct selling is a process of informing, engaging, activating, and satisfying a consumer's needs. Direct selling complements your point-of-purchase plan and enhances the farmers' market experience. As the manager your role is to encourage direct selling wherever possible in the market. Direct selling has some general rules and guidelines.

1. Be friendly—Make people feel welcome. Statements such as "Welcome to the East Side Farmers' Market," "Do you have any questions?" or "Hi, how are you?" will help customers feel comfortable and will open the door to conversation. Consumers respond to respect, positive comments, and active engagement.

2. Planning is important—At your booth, greet, inform, and focus on the key products consumers find interesting to encourage reasons for purchase. This line of engagement is called a "script." Encourage scripting by vendors. For example, "Have you ever tried a tomato berry? They're like a cherry tomato but sweeter. Would you like to try one?" It is an excellent way to train staff on direct selling techniques. The more they practice the better they will get.

3. Provide solutions—Consumers shop to fulfill certain needs. By listening to customers, you and your staff learn how to satisfy their needs and build customer loyalty. Help vendors to provide information on selecting, storing, and cooking the products they sell. For example, farmers selling plants can provide helpful tips and growing information. Address all of a customer's questions completely and always end the conversation with "Can I help you with anything else?" or "Is there anything more we can do for you today?" When consumers feel that their needs are being met, they will come back.



Final thoughts on direct selling

Most farmers' markets rely on informal selling with inconsistent results. Direct selling is a planned process in which you engage consumers to improve the selling process. Like the point-of-purchase techniques, this is a dynamic process.

Scripting is important because it teaches your staff and vendors how to approach customers in a uniform way. When there is a script, it can remove the awkwardness from approaching customers. As people become more comfortable with this process, they will improve their communication style and determine what works and what does not.

Conclusion

As a market manager, you may end up teaching the vendors at the market. It is important to be persistent, patient, and respectful of those learning how to sell products, especially if they've been selling for a long time. The goal is to make selling fun. Most customers come to the market with an open mind to learn, to experience, and to purchase products. Direct selling can make this process even better and leaves everyone with a lasting impression.

Exercises

1. How important are sensory images to the success of your farmers' market? Describe the sensory images you believe are best and what could be improved.
2. Take some of the examples in the book for visual uniformity. How would you improve on this in your own farmers' market?
3. Develop a plan-o-gram of your farmers' market. What strikes you about its appearance? Are complimentary products adjacent to one another? Does this strengthen the look and feel of the market?
4. Write a script to sell organic vegetables. How much of the script is informational and how much of it relates to selling the product?

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Full farmers’ market sample master plan-o-gram



Passive marketing strategies



CHAPTER 4

Introduction

While generally not as productive as direct and active forms of advertising, passive marketing techniques effectively complement the other strategies we have discussed.

Historically, passive forms of advertising have included television, radio, and newspapers. These avenues are prohibitively costly for most farmers' markets. However, things have changed. With the advent of internet advertising and computer software that can generate high-quality, low-cost graphics for printed media, passive strategies are more effective and affordable.

For our purposes, passive strategies will refer to those that are not intended to solicit a customer's immediate response. Rather, this strategy will help to build a positive image of the farmers' market over time and will increase the effectiveness of your direct and active marketing strategies.

Internet strategies

The use of a self-developed website or a series of pages in a larger website, such as that of a chamber of commerce, are the most effective forms of passive advertising for farmers' markets. The website should contain the logo, the mission statement, and other pertinent information including address, hours of operation, and a general description of vendors participating. All of this should be on your home page, the most important page of the site.

If your market doesn't have a website, there are two ways to construct one. The first is to have a trained professional construct your site. In general, the cost for an easy-to-navigate site with proper linking and 5–10 pages of text and graphics is around \$5,000. The site requires about \$1,000 of maintenance per year. Your host or internet service provider (ISP) will cost about \$100 per month. Therefore, in your first year you will need about \$7,000.

An alternative, more cost-effective choice is to contact a local college or, in some cases, a major university campus in your state. Ask them if they have students with website development skills seeking public service projects. Many graduate programs in business require students to have one semester of community service. Assisting a farmers' market is a great opportunity for students to fulfill this requirement.

To match your project with a student, you will be asked to submit a proposal. This is usually one page and should describe what you are looking for in your website. A preliminary site will take a student about 6–10 weeks to finish. This is an ideal timeline for such a project. If you're paying the student minimum wage, the cost for the project will be around \$2,500. More importantly, you will establish a long-term relationship with the university, which may help you to expand the site in the future.



Designing your site

What you include in your site is important. Here are some techniques to ensure that your website will be effective:

- The home page should have an attention-grabbing headline. It should be clear, concise, and to the point. It can be the tag line to your logo.
- Keep the navigation simple and make your site accessible to most web browsers.
- Keep your home page simple and provide additional information on your supplemental pages. Customers want to know about the products you are selling. Ask your vendors to provide clear and easy to understand information about their products. Do some research and talk up the benefits of the products.
- Use pictures. Pictures describe a product like nothing else. Simple but compelling pictures are a great way to elicit a positive response from users.
- You should have an "About Us" page. Provide information about you, your staff, and the important things like a map of the site, directions, and a list of the vendors.

Publicizing your website

The next step is getting the word out about your site. On all signage at the market, be sure to direct people to the site. In all forms of market communication, use the web address.

The last step to your initial set up of the site is to provide time every week to update your pages. The site must remain fresh and accurate. The only way to do that is to change the pages regularly. Keep your vendor list current, especially as the seasons change. Strawberry vendors may be at the market early in the season but customers will still come looking for strawberries in September if they are listed on your site. Provide new and expanded information regularly so that people will keep coming back.

Website optimization

One of the true successes of websites is the potential to reach millions of people in a regional area. However, if you fail to "optimize" your site, you may only reach 10% of available consumers. The good news is that the process of optimization is now easier than ever.

When planning your site, search the internet for sites that you want directly linked to your website. Consider linking with the chamber of commerce, city guides, local tourist destinations, and municipal websites. With some research you can determine at least 10–20 additional sites where you want to have a direct link. In most cases, a simple phone call or e-mail to the organization will result in permission to link to a site. This is a no-cost form of linking. Non-profits such as health care systems, large corporations, and schools may welcome a link to a farmers' market. Get imaginative and set a goal to add one direct link per week.

The second form of optimization involves developing a key word association with major websites. There are 225 million search engines but only 23 are used by more than 80% of the computers in the world. Consult with your website programmer and decide which search engines you should target. Don't neglect smaller regional search engines used by local consumers.

Examples of effective web pages



Look at what key words are associated with competitive websites. See what comes up when you enter “farmers’ market” into a search engine like Google. Add your community’s name in front of the words “farmers’ market.” Words or phrases like “local food,” “green markets,” and “outdoor markets” are an easy way to begin to see what words or phrases are needed on which sites. Begin your optimization process by incorporating these words into your site. This is a constant process of examining what works and what does not. Most web designers will tell you it takes one year to optimize the site.

E-lists

One of the most useful aspects of the internet is the ability to use a passive tool to market actively. Each week at your farmers’ market, collect customers’ e-mail addresses. In exchange for the information, you could offer incentives like a market basket raffle or a frequent shopper discount. Or you could simply highlight the benefits of the information available through e-mail. The more names on your list, the more easily you can reach your customers.

You can use these addresses to send market updates, alert them to new vendors or new products, and direct them to your website for information about upcoming events. People love to know when the first sweet corn, field-grown tomatoes, or cantaloupe will be at the market.

A website questionnaire could also generate e-mail lists. It is easy to automatically request that visitors leave an e-mail address. You can offer a discount coupon as an incentive for sharing this information. The goal is to build your list and keep consumer contact meaningful and fun.

E-mail list marketing options include:

- 1. A monthly newsletter.** Provide information on your farmers’ market. Many markets have educated and well read customers. Use that to your advantage. Provide a one-page newsletter and include several calls to action: visit the market, attend an event, visit the site, and take advantage of savings or a special product. The key is to use the newsletter as a selling tool but also provide value to the customers. Make it a valuable message.
- 2. Issue the calendar** and alert the recipients that the next market is open with specials, discounts, or a special event. Get your readers’ attention by making sure the title in the subject line is catchy, interesting, and direct.
- 3. Off-season contact.** Use e-mail to maintain contact with your consumers. When the market is closed, use the time to help keep the excitement alive. Great topics include products, new offerings or vendors, upcoming events, or health information.

Brochures

Another critical form of passive marketing, and a way to affirm your market branding, is a professional brochure. A one-page tri-fold brochure printed on two sides with a color copier will cost .03–.11 cents per copy meaning markets could print 1,000 brochures for approximately \$30–\$110. This is an economical way to direct a message to a geographic area or target a group of consumers.

Brochures can be distributed to a number of locations and do some of your advertising work for you. Vendors, friends of the market, and customers can help distribute brochures to area businesses, public institutions (such as libraries), and other high traffic areas in your

community. Targeting locations within 6–10 miles of your market is especially effective. While brochures permit you to reach many people, they also allow an audience to view your message without your mediating presence. Use these simple rules to develop an engaging, accurate brochure:

- 1. The headline is critical.** Most people read a piece of information in 10 seconds. The front of the brochure should include an appealing and colorful picture or graphic and a text with a clear message. Keep the reader interested. “Come this Weekend,” “Experience the Freshness,” “Be Seen with the Green” are all clever ways to get people to continue reading.
- 2. Use “white space” effectively.** The most common mistake with a brochure is including too much information. Keep the text to a minimum. However, be sure that it contains critical information. Location (address and map), hours of operation, upcoming events, and the products available or number of vendors can also be included. You may also want to include the benefits of local agriculture or eating healthy.
- 3. Look for interesting outlets.** The most common way to distribute brochures is to have a staff member or volunteer deliver brochures to businesses and public places near the market or, in the case of rural markets, at locations in the nearest towns or village. Be creative. Try appealing to large corporations. Many are using payroll stuffers to alert their employees about community events. Ask the two or three largest corporations to allow you to reach their employees this way. A large employer may have 200–1,000 employees. This is a great way to target an active audience.

PSAs

Indirect marketing strategies such as PSAs can work well as part of a passive campaign. As mentioned in chapter 2, all public entities that broadcast are compelled to carry 30- and 60-second spots for the benefit of the local community. Farmers' markets can use this valuable exposure. The question is how to best use it. Some ideas include:

- 1. Work with the local cable network's public service department** and discuss your desire to broadcast a series of 2–3 radio spots. They can generally help you prepare the message and even provide the voice talent to deliver the message. In radio, the key method is to provide a clever catch phrase that communicates the call for action. PSAs are designed to have a basic call for action that is for your good. Healthy food, green food techniques, and supporting local farmers are a few of the messages that can be very effective. In 30 seconds you can describe your name, your location, and why customers should visit the market.
- 2. Work with your chamber of commerce** to include your name with their PSAs. Most chambers have several hundred thousand dollars in PSAs. By using their influence, you can increase the number of times your message is aired in their radio and television spots at no cost to you.

- 3. Cable access channels** are designed to provide local businesses with PSA access. The idea is to provide an "infomercial" that is usually at least five minutes but as long as 30 minutes that describes your farmers' market. Cable access channels are available for every community. The cost of producing a five-minute spot is usually reduced, since the cable network must make its studio available to you. If you need help with production, most local universities provide free interns for this type of work through their broadcast journalism schools.

Community newspapers

Community newspapers are often overlooked in media campaigns. They include small circulation papers, independent newspapers, large urban newspapers with special regional inserts every week, and magazines catering to local regions.

Community newspapers focus their news stories on local people and businesses. Farmers' markets are fun and make a great local story. Stories can focus on a seasonal event, a farmer profile, or an unusual product. All of these newspapers also have websites and community events sections. The combination of a story on the market, website coverage of the story, and the special events calendar including the farmers' market will allow your message to be viewed by the paper's subscribers in three different ways.

Some key ideas for story topics include:

- 1. History of the farmers' market**—A common topic in a community paper is local history. A farmers' market with a long history or an interesting history related to its location or offerings will provide a great story.
- 2. A human interest story**—These articles highlight a person in the community with an interesting life story. The farmers' market will likely have many such stories. Learn what you can about vendors and their families and begin to list potentially compelling stories.
- 3. Educational content**—People look to newspapers as a form of informal education. If you can develop interesting stories about the market's products and how the market improves a reader's life you will have a solid connection with the reader. Stories about health are very important today.

Again, the idea is to use newspapers to reach consumers, without paying for it. This is an effective way to reach a broad audience.



Conclusion

Passive forms of advertising can effectively supplement your direct marketing programs. As the market manager, you must seek out these resources. All of these forms of marketing will take some time to develop, but the customer response can be invaluable. You'll reach new and large audiences. Keep your message simple and direct, and the effectiveness of the message won't be lost. These forms of low-cost advertising are now commonly referred to as "guerilla marketing." Mini-campaigns using low-cost marketing are widely accepted in small business strategies. You have an excellent story. Tell it. Today, getting your message out is easier than ever.

Exercises

1. Prepare a home page in visual form. Draw it out first and then fill in some colors. Find a site you like and use it as your example. What makes this site effective?
2. Identify seven key words you think will increase your site's effectiveness (optimization) on a search engine.
3. Prepare the first page of a brochure. Draw it out first and then fill in some colors. Find a brochure or magazine ad you like and use that as your example.
4. Prepare a 30-second text for a PSA. What makes it effective in your mind?
5. Prepare a 30-second radio PSA that you think would be "ear-catching."

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Direct marketing strategies



CHAPTER 5

Introduction

Branding, or creating a positive, easily recognized image, is an important way to develop a relationship with your customers. It is important for managers, boards, and vendors to take an active role in determining and affirming the market's image. It lets customers know what you're about as a market and what they can expect during their visit. Using the image or brand that you create for your market and tying it to your logo for your direct and indirect marketing efforts is essential to successfully advertising your farmers' market.

In this chapter, we will explain how to develop a brand for your farmers' market. Brand creation is a straightforward process, but it benefits from a degree of creativity at every level. We will guide you through these steps and provide questions for you to ponder as you start the branding process. This chapter provides the basic elements that will help you communicate a clear and consistent message to your customers. This message will let them know what makes your farmers' market special and unique.

Building the brand

Thousands of products in our everyday lives use branding to simplify our buying decisions and build loyalty. Consumer giants like SC Johnson, Procter & Gamble, and 3M spend hundreds of millions of dollars to develop an image of their products.

A successful branding campaign can impart a lot of information to a consumer. Let's consider Scotch Tape. This tape has no roots in Scotland, but was invented by 3M in Minnesota nearly 100 years ago. Have you ever heard it referred to as adhesive cellophane tape? It's called Scotch Tape because of successful branding. 3M used green or red plaid packaging as their trademark design and named it Scotch Tape. When consumers see this name and packaging, they know what they are buying. They can easily differentiate it from other brands and estimate what they can expect to pay for the tape.

The marketplace can often be a quagmire of choices. Grocery stores stock entire aisles just with carbonated beverages. One of the purposes of branding is to help consumers navigate through all the choices and determine the one that best fits their needs.

If a company can meet a consumer's needs with one product, it will attempt to build on that relationship and create brand loyalty. Companies want to maintain and build this relationship in order to sell more products. They do it in a variety of ways including maintaining popular product lines, providing additional information about products, and even seeking feedback on product design.



Persistence is critical to the success of branding. One company that drives toward a relationship with its consumers is Patagonia, an outdoor gear and clothing company. Patagonia provides classic designs like basic fleeces while also alerting customers of new product lines and clearance items via mail and e-mail. The company even goes as far as to provide a blog on its website to discuss the company.

Branding has several key components. These components can be used by large businesses and farmers' markets alike. The cost for implementing this branding method does not need to be expensive. We will show you low-cost alternatives that will deliver results for your market. As your market grows, keep your foundational elements in mind so that you don't grow too distant from your customers.

The foundational elements:

1. Developing a mission statement
2. Developing a logo
3. Creating a characteristic summary (sometimes called "talking points")
4. Choosing colors to be used for logo and all messages
5. Choosing a typeface for all messages
6. Developing verbal cues (sometimes called "tag lines")

The foundational elements will transform your market vision into something tangible that your consumers can remember about your farmers' market.

Mission statement

A mission statement briefly describes the elements of an organization to internal and external people. The market manager, board, or other appropriate stakeholders should have a single, clear understanding of the farmers' market's purpose and a vision for the market's direction in order to write a mission statement everyone can support.

The first part of the mission statement describes the name of the organization. The name needs to be easy to pronounce, short, and able to be used consistently in a wide variety of media. This name should "carry" the characteristics of the mission.

As an example, when you see the name Target or see its logo, you know what it is, what it sells, and what the logo represents. Despite an ordinary name, the use of color, a symbol, and consistency has allowed Target to carve out a mission statement in a name.

The next part is a description of what makes the farmers' market unique. What makes you different? There are some key phrases that are uniform to this project. First, use the word "we." The description is about your team. Next, words like "best" or "leading" are important. You want to signal to your customer that you are the best at what you do. You are not ordinary and neither is your farmers' market. Use the words carefully but prominently.

The description should explain the focus of your market. Many farmers' markets sell items outside of their main products. Your first goal is to determine your primary purpose. Is it local food, art, crafts, prepared foods, or services? Then, select secondary vendors that complement these products. Do not confuse the customer about what they are shopping for with unrelated products. Make it known in your mission statement what type of market you desire to be and review this statement when deciding what new products or vendors to add to the market.

Setting standards is important to your market and to your consumer. Make the market's expectations of quality clear to your vendors and to your customers. Are your items "organic," "local," or "farm fresh?" If they are, then make sure to use these words in your mission statement to separate you from your competition. You can even describe the types of products such as vegetables, fruits, meats, and cheeses. Don't overlook variety. It can be portrayed by the words "wide array" or "robust selection" of products. When you are specific about what you do, your vendors and customers can better identify the direction of the market.

The location of the market is an important part of your description. It should attract participants and patrons. Be specific about what people enjoy about the site. The sights, sounds, and smells of an area can separate your market. People love new places. You can create that appeal with simple phrases like "a special Old World charm in a unique urban environment" or "set in the rolling green hills of farm fields." The idea is to create a place that makes the customer feel comfortable while having an experience unlike anything they can find in the area.



Include people in the description of your mission. Your team of vendors and volunteers need to be held to an external standard. Some phrases you might use include “highest customer service,” “pleasant, friendly staff,” and “dedicated to your needs.” It will help you to see what standards you want and need to set as the leader of the farmers’ market.

The last section should describe the consumer experience. The transition in a mission statement from product to people is an experience. What makes this a meaningful encounter for the consumer and your vendors? Common phrases include “an experience like nowhere else,” “engaging and evocative,” and “an outing to look forward to.” Remember, this is your vision, your goal. To make your brand unique it needs to start with a simple but effective decision on the expected outcome for consumers.

Ideally, mission statements are 5–10 sentences. Choose your words carefully. Precision is important. Many times it takes 10–20 versions before it is right. You will know it is right when it describes your vision. Have farmers’ market staff review the drafts; try it out on family members and even people who have no connection to your farmers’ market. A good mission statement is vital for a market. If the mission statement is poorly done, branding is impossible. So, spend the time and make the mission statement the cornerstone of your branding process.

Developing the logo

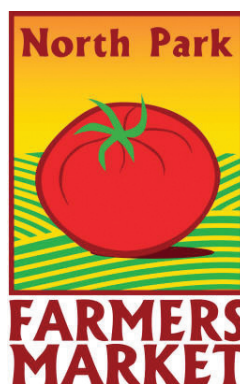
Like the mission statement, the logo is integral to your brand. Again, look around you and see how many symbols and acronyms exist in your day. Apple, Pepsi, and Nike all have worldwide impact because their symbols stand out to the consumer. Think of the Nike swoosh. What stands out about it? Does it look like an object in motion? The logo is the visual symbol of the company. The customer associates the written word with the symbol, which is called “related cognition.” It allows people to shop more easily because they can look for the brand’s symbol. The same can be done for your farmers’ market.

Your logo should incorporate a few key elements. First, keep it simple. Brand marketing experts Leslie Campbell and Mark Deforest believe that a great brand starts with a physical symbol, an acronym, or a visual picture.

Try to decide what stands out to you about each of these logos. Ask your friends and family, too. Use this feedback when developing a logo for your market.

Developing a market logo will require some creativity and skill. It can be simple clip art or something more elaborate. Remember that your logo represents your market. If you can pay someone to assist you in development, it will be money well spent. If not, try to find a student or graphic designer willing to volunteer their time. If you’re connected with a city, town, or organization, ask if they have someone to assist you. If you will print the logo on signs, brochures, or other promotional items through a printer, you will need professional help.

Examples of effective logos



kingfield farmers market

Talking points

In order to convey a consistent message to your staff, to vendors, and to customers, you can distill your mission statement into key phrases and ideas. These key ideas, or talking points, can keep your branding on point.

A mnemonic device can be used to help you create effective talking points. For instance:

- F**—**The farmers' market** of Delavan, Wisconsin offers the freshest variety of vegetables and seasonal fruits in Walworth County for your family.
- R**—We **represent** the finest shopping experience with information and insight into the products we offer.
- E**—**Excellence** of consumer **experience** is the most important goal each and every time.
- S**—We offer the finest quality and **selection** of farm-produced vegetables and fruits in Wisconsin. We also offer the largest number of farmers in all of Wisconsin.
- H**—Our **home** is your home. We care, we're dedicated, and we make you feel like you are part of our family. Experience the **happiness** of our family experience.

These five phrases are easy to remember. Using "fresh" as the association word for your talking points will help you and your team keep them in mind.

Another way to address talking points is to list the key elements of your mission statement consistently and in a sequential fashion every time. The speech should build a brief story that separates your market from others. Often it is known as an "elevator speech" because when you become proficient at reciting your script, you'll be able to pitch it to people during the time it takes to ride from one floor to the next. In this way, you can effectively communicate the intangible qualities that you admire about your market to other people.

Talking points can lead to the development of a "tag line" or "logo phrase" such as Nike's "Just Do It" or L.L. Bean's "Start here. Go Anywhere." These short sayings can be another way for customers to identify your farmers' market quickly and help them realize how your organization acts.

You should not be afraid to experiment with a physical symbol. In Seattle, the name *Pike Place Market* coupled with the caricature of a fish very effectively portrays it as a full-service farmers' market.

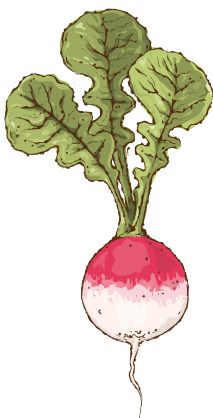
As with the mission statement, let those around you comment upon the talking points.

The look

The appearance of your logo and tag line is important in conveying your image in that it extends to every aspect of your farmers' market. Consistency in what people see is important. Let's look at the key points:

- 1. Typeface**—First, be sure that it is easy to read. Once you select a typeface, all lettering in correspondence, signage, information sheets, buttons, and apparel should be the same. This will reduce the cost of your branding approach and keep the "feel" of the brand consistent. Make the typeface and logo and give it to your vendors. You want them to use it, especially when at the market. Typeface requirements allow you as the manager to set the look of all signage on the premises.

Examples of strong slogans



LocalHarvestSM
real food. real farmers. real community



2. Color palette—When selecting a palette, stick to a few select colors. Balance the image that you use with the type color. With more vivid and colorful images, choose duller colors. Alternatively, use brighter text colors when your image is less colorful

3. Branding package—A variety of materials should carry your brand image. Such items can include buttons, bags, signage, and even packaging. Key members of your staff should receive these items and give them to customers.

4. Be professional—Make sure that the customer can differentiate between a farmers' market vendor and another consumer. Buttons and tags can often help to create this image. Some markets print their logo on aprons and hats, which is very effective in creating almost a "uniform" effect.

5. Be proactive—Use the logo, the mission statement, the tag line, and/or the talking points on your computer programs, web links, and all materials distributed to anyone in the organization.

Executing the branding process

The best companies find ways to compete by using their available resources or by soliciting resources within their own community and beyond. Approach others to help you create the image you are seeking.

Electronic media

Branding starts and ends on the internet. You have a huge advantage today because you can get your message out on the internet at a low cost. Here are some key advantages:

1. Create your own website—Today for \$300 you can set up a website yourself to communicate your message.

2. Use other websites—Government agencies are constantly looking to help private businesses. Local governments will feature your icon and your message; chamber of commerce sites will always let you on the site as long as you have your branding package. Large corporations will cross-market with you. Banks, insurance companies, and even telecommunication companies will allow you to be on their site at no charge.

3. Linking—When a market requests permission to be attached to related sites on search engines like Yahoo, Microsoft, and Google, it is engaging in a process known as "linking." Using the link of "farmers' market" could position your link to come up more often than others. When using these techniques, persistence and monitoring of these sites can increase your visibility by several thousand "hits." Be careful to insure that your site is being linked to other appropriate sites.

Examples of ways that markets use branding packages



Printed media

As a part of reaching out to the greater community, you can utilize media sources to help spread your message. Try using low-cost or no-cost public relations. When reporters need stories, farmers' markets are a fun and colorful way to fill space. Reporters will often be willing to do a feature on a market. Try to have your market featured in at least one or two community papers and the major newspaper in the area.

Local magazines are also an excellent source of coverage. Using your talking points and the upcoming schedule of market days are key to having a story published.

If you wish to be included, call publications and talk to them about being incorporated when they have space. You can also send them some of your promotional materials.

Being included in company newsletters is also a great way to publicize your market. Locate the three largest employers in the area around your farmers' market and ask them to feature your market in their newsletters. For smaller businesses, ask if you can drop off flyers or post an advertisement in a public area or on an employee bulletin board. This is especially useful with weekday farmers' markets where employees can stop by during lunch or after work.

Talk it up

As you reach out and make your presence known, try these effective, indirect marketing strategies to get your brand out to the community:

- 1. Speak at chamber of commerce meetings**—The chamber of commerce can often be connected to major corporations and are excellent venues through which to connect with other key people in your community.
- 2. PSAs or local radio shows**—This is an excellent way to get a no-cost radio advertising option. Radio shows need content. Discussions on "green" topics like a farmers' market are important today and the likelihood of getting time is very good. PSAs are also free and you can request that the local station do a PSA on the farmers' market you manage.

The farmers' market as the focal point of the brand

The final point is that the farmers' market is the focal point of the brand. The market must look like your mission. As we have discussed, the brand is about the content of your market. So remember these key points:

1. The plan-o-gram of the market should provide the proper representation in order to achieve your mission. Do the vendors share your vision? Are they as dedicated as you are? If not, work to find those who are. Each station should be properly tented in uniform colors, uniform signage, and, most importantly, the right mix of products.
2. The staff at all levels have to believe in the mission and the brand. They are the brand. You must be prepared to communicate your expectation each day to everyone. You must let each staff member or vendor embrace the brand and make it come alive. Persistence and diligence will pay off in furthering the branding process.

Examples of creative usages of a brand image



Exercises

1. Identify three examples of logos that appeal to you. Why do they appeal? How can you incorporate those attributes into your logo?
2. Identify three examples of tag lines that appeal to you. Why do they appeal? How can you incorporate those attributes into your tag line?
3. Prepare your logo and ask other managers of farmers' markets for their impressions.
4. Prepare your tag line and ask potential customers for their impressions.

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Developing formal marketing plans– Concepts and models



CHAPTER 6

Introduction

This is the first of three chapters that will allow you, as the manager of the farmers' market, to use the concepts we have discussed to create and implement a marketing plan. Marketing will take your vision for your market and translate it into written goals. These goals will help you to convey your vision to stakeholders (vendors, boards, and patrons) and gather their input. Having a clear vision and marketing plan will also give market vendors and coordinators a unified direction which will help them act consistently with achieving those goals. When everyone is on the same team and moving toward the same goal, it will be much easier to attain success.

Creating a marketing plan for your farmers' market shouldn't be complicated. Although some of the terminology in this chapter may be unfamiliar, the plan that you create should be easy

to use, understand, and measure. In the next three chapters we will give you the tools to create a well-developed marketing plan and provide you with basic concepts, models, and simple tools to help you measure your success.

Concepts of planning

Planning begins with a vision, which means planning starts with you. Gather information and input before beginning your marketing plan and seek feedback throughout the process. However, as the visionary of your farmers' market, the final plan will be your creation.

Planning is an ongoing and dynamic process. Begin by considering a specific time frame. In the case of farmers' markets, think about planning for a market year (May-October) or by season (spring, summer, fall). You will need to monitor your plan's progress weekly and be willing to adjust or revise the plan. As you move through the season, you will learn new things and you will have feedback that you can use to revise your plan.

Because your marketing plan is continually undergoing revision, the most practical plans are "top-down" plans. Some markets utilize "bottom-up" planning or "consensus planning," and there are appropriate places for those processes in your farmers' market. However, since your marketing plan will need to be measured and adjusted weekly, top-down planning techniques will be the most efficient.



If your farmers' market utilizes bottom-up planning and finds this model effective, there are ways in which you can employ this method effectively in your marketing plan. First you must determine who will work on the marketing plan. If the number of people serving on your board is greater than seven, it is best to establish a marketing subcommittee with 5–7 board members. Boards of this size are most effective and efficient.

Once a marketing committee has been established, there are two basic options. Either the market manager can devise the plan and seek input or the board can be the starting point. Board members can suggest ideas and strategies to give direction to the manager who will devise the plan. Although the board will approve the marketing plan, it is important for the market manager or a designated individual working in conjunction with the manager to be able to adjust the plan through the season without needing to return to the board. Without the authority to make adjustments to the plan as new information arises, it will be difficult to achieve the desired outcomes.

As a starting point, we need to describe the steps of the planning process. These may include:

1. Develop basic assumptions.
2. Develop overall sales goals.
3. Develop sales goals by vendor.
4. Develop measurable sales goals by timeline.
5. Develop "revenue drivers" which facilitate variable budgets.
6. Develop appropriate expense goals.
7. Develop appropriate capital investment goals.
8. Review the plan with key vendors to check validity of the assumptions.
9. Revise plan for information provided.
10. Issue the plan and communicate to all interested stakeholders.
11. Monitor actual results and prepare variance reports (the difference between the actual performance and the forecasted performance).

Planning process

It is important to create your plan before the market season begins. This will give you time to communicate the plan to your employees, vendors, and other market supporters. If you would like to include any special products, be sure to ask your growers well in advance. If growers need to grow something out of the ordinary or in increased quantities, it is best to inform them before they purchase their seed for the next year, which can happen as early as December.

A planning calendar is an essential tool for the marketing plan. It helps to ensure that those working with you can carry out the marketing plan and provide data and input within communicated deadlines. Completing the plan on time and in advance of the market season is essential, especially to those affected by the plan.

The intent of the planning calendar is to organize related activities. This is not a complex task, but it is important to set deadlines.

Sample of XYZ planning calendar

Date	Activity	Document
01/05	Complete basic assumptions	Narrative, one-page assumptions
01/12	Overall sales plan	Forecasted sales report
01/19	Sales results by vendor	Forecasted sales by vendor
01/26	Mtg. with vendors—Sales	Recap notes of mtg. w/ vendors
02/04	Revise sales plans	Forecasted sales by vendors
02/11	Produce revenue drivers	Forecasted revenue driver
02/18	Review expense assumptions	Forecasted expense assumption
02/25	Final plan produced	Current year revenue plan

Sales concepts

Each market has its own mission statement, niche, and goals. However, the common denominator to all farmers' markets is commerce. Farmers, bakers, and other vendors come to your market to strengthen their individual businesses, so you must make your market profitable for vendors.

Since the goal of a marketing plan is to increase sales, sales are the central focus of the plan. In order to ensure success, we will develop our marketing plan into actions. These actions are referred to as sales plans. We will monitor these plans against actual results.

Before you become alarmed at obtaining sales information from your vendors, we would like to impress upon you that this is a key part of a marketing plan. It is impossible to determine the appropriate number of vendors or types of vendors to include at a market without sales data. How do you know if your market can handle two maple syrup vendors or if twelve vegetable vendors are too many?

We will first introduce the most common ways to gather and use sales information. Later, we will present ways to adjust this model so it's more comfortable for you and your vendors. We will also supply you with information that will help your vendors see the value of supplying this information. If you collect high-quality information, you'll be able to develop an effective marketing plan.

Sales are measured in two different ways. The first and most traditional is by dollar amounts. Dollars drive all parts of any business. Another way of measuring sales is by units. What is the value of measuring unit sales? Unit sales will help us to determine the appropriate price for a unit of potatoes (pound, bag, or bushel) or beets or if the price charged may have been too low. Also, as you look at selling related products, you can see the impact of multiple sales. For instance, if you sold two pounds of tomatoes at regular price and one head of lettuce at half price, the sales increase would be more obvious if you viewed unit sales rather than dollar amounts.

As the example in the sidebar shows, unit sales planning is essential to our understanding and measurement of marketing plans.

Additional terms to know are rate of sales, percentage change to goal, and percentage change to last year. When you look at marketing plans, you are always measuring success by the change to your baseline sales numbers. For most organizations, that is the previous year. When comparing your plan you need to look at rate of sale or the change from year to year. The rate is measured in units, dollars, and percentages. The most obvious use of rates of change is percentages. When putting plans together you will use rates of change as we did above by saying that the increase in units is up 20% or 30% or dollars are up 45% or 60%.

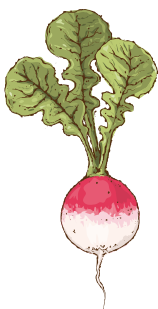
The year before our sales plan began one vendor was selling 100 pounds of tomatoes per week and 50 heads of lettuce. The price of tomatoes is \$2.50 per pound and lettuce is \$2.00 per head. This means that the resulting dollar sales were \$350.00 per week for this vendor.

The vendor's marketing plan calls for a change. He will give a customer a head of lettuce at half price or \$1.00 per head for every two pounds of tomatoes sold. As a result of this promotion, the farmer's tomato sales increase from 100 pounds to 200 pounds and lettuce from 100 heads to 200 heads. Dollars therefore increase from \$350.00 to \$700.00. As you can see a 100% increase in units caused an increase of 150% in sales. This is an important tool to show vendors how marketing plans, even simple multiple sales options, can benefit them.



Sales strategy terms

Sales strategies are integrated. Each vendor performs for your market individually and yet can be made to perform more effectively by integrating their sales plans. Marketing plans that you develop will almost always be integrated. The marketing plans we develop will be created to test the effectiveness of our plans against our marketing strategies, the investment in operating expenses, and investment in capital expenses.



Here are the key concepts for integrated sales planning:

1. Optimal sales and product mix—

The mix of vendor sales and/or products at your market that produce the largest revenue in dollars and the highest return on your expense investment. The goal is not to have as many vendors as possible or the largest variety of vendors. It is to have the right number and mix to maximize the return on investment. This is the “holy grail” of marketing plans. Rarely will we achieve this result in the first plan; it will help to focus on strategies for providing the optimal sales mix.

2. Return on investment—

All marketing plans aimed at achieving sales goals are limited by available resources. Investment is normally calculated using the dollars you will spend for actions such as website development, media advertising, and printing costs. These are called “hard investment costs.” Other costs include your time, space used by certain vendors included in your plan-o-gram, and space on web pages. These are called “soft investment costs.” Both hard and soft costs are included in your return on investment.

Return on investment is calculated by dividing the total sales by the total investment. The calculation should result in a return of more than one and ideally it should be larger than two.

For example, if the sales generated by your tomato and lettuce promotion are \$10,000 per year and your investment in printed material is \$5,000, the return is 2. This is a satisfactory outcome.



3. Optimal marketing mix—

This is one of the most important elements of your marketing plan. You need to work with each vendor to determine their products and their prices.

Not all vendors have the same fixed costs. Some vendors may own their land and equipment or be able to buy their materials in larger quantities than others. Although they may be able to sell their product at a lower price, that isn't necessarily the best thing for your market, your customers, or your vendors. By underselling their products, these vendors often prevent smaller or less established farmers from being profitable. The numbers of vendors who can survive at these prices are limited and by allowing them to undermine prices, you are limiting the numbers and types of vendors that can be profitable.

Underselling can also pose a problem for hobby and part-time growers who are not dependent on their income at the market. Sales planning by vendors is critical to ensure that all vendors have the opportunity to succeed. Your overall sales plan must ensure the long-term sustainability of your market by preventing underselling.

Plan development

The correct way to develop a marketing plan is through a unit planning model. This involves the use of “waterfall plans.” You look at what inventory is required to produce sales per week at a stated price per unit. The difficult part of the process is determining the revenue per unit. The choice of this price is based on market conditions, time of the year, and competition.

Competition is retail competition, not wholesalers or distributor prices. This is the most common mistake made by vendors. Products at the farmers' market are high quality and very fresh. You should compare your prices with that of a similar product. Whole Foods, Trader Joe's, and local, higher-end grocery stores are your reference point, not the sale price of the local discount store.

The process should be continuous, with a plan that changes as you receive additional information. Begin with a basic plan. Take the number of units by product and place a reasonable average of prices on each product. This will enable you to develop unit sales by week and then each month. Once you have a calendar of total sales by week for the farmers' market, you can then set the basic plan for review.

The second step is your integrated sales plan. This plan should include pricing models for add-on selling, multiple selling, and selling with another vendor's product or co-branding. For each technique in the marketing and sales plan, you will look at selling by manipulating the price in order to increase units, such as 2-for-1 selling or a discount on the second item. Multiple selling is the process of selling one unit by offering another unit at a reduced price. That was shown earlier in the chapter when a farmer sold a head of lettuce at half price when a customer bought two pounds of tomatoes. The final process is selling related products between two vendors who can work together on a related product vision.

Once the basic plan and the integrated sales plan are finished, you can start rolling out the plan for each vendor and finalizing the plan for each vendor. For larger markets, or if you're just getting started, you may wish to ask for volunteers to participate in this process. Once the more reluctant vendors observe their success with planning, they may be more open to working with you to become part of the overall market plan. Some vendor plans will be simple while others will require integrated plans. As the market manager, you must decide which strategies work best for the overall goal. Work with your vendors to adopt these plans.

Once you complete the vendor plans and combine them into an integrated plan, you can now review the overall sales plan. If the plan meets your basic assumptions, as we will describe in more detail in the next chapter, your plan is complete and you can communicate it to the staff and the vendors. The final step is to commit your marketing plan to a timeline with action steps for execution. The plan is an action-oriented, integrated approach to ensuring your action steps are completed in advance of generating weekly and monthly sales.

Conclusion

In this chapter we introduced you to the basic concepts of creating a marketing plan. These include using the top-down method, developing a unit and dollar plan by week and by month, and combining this with plans that are prepared by each vendor. These components can then be summarized into a total market plan. The sales plan is evaluated against the investment in hard and soft marketing costs and generally reflects a careful analysis of prices charged for each product sold at the market. Once the plan is completed, you develop an action-oriented timeline for your marketing plan so that it is integrated into the achievement of your sales plan.

In the next chapter we will take you through the step-by-step process of making a sales plan to allow you to see the process of integrating all concepts learned in this chapter.

Exercises

1. Determine how many products you sell at your farmers' market. How many are related or could be related for co-branding strategies?
2. Pick five products sold at your farmers' market and then price those items in a local Whole Foods, Trader Joe's, or a higher-end grocery store in your region. How do those prices compare to the prices offered at your farmers' market?
3. Develop three pricing strategies that allow you to increase sales between vendors or products in a vendor's stand.
4. Begin to think about placement in your farmers' market. Which vendors would you move to create more synergy between related products?

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Integrated marketing plan

	March	April	May	June	July	August	September	October	Total
	Strategy 20% markdown	Strategy co-branding	Strategy 2 for 1	Strategy	Strategy	Strategy	Strategy	Strategy	
Vendor 1									
Inventory in dollars	55,000	47,880	42,380	36,880	31,380	25,880	20,380	14,880	
Inventory in units	3,500	2,810	2,460	2110	1,760	1,410	1,060	710	
Sales dollars, basic	3,250	5,500	5,500	5,500	5,500	5,500	5,500	5,500	41,750
Sales units, basic	250	350	350	350	350	350	350	350	2,700
Sales dollars, integrated	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	
Sales units, integrated	440	440	440	440	440	440	440	440	
Net inventory									
dollars	47,880	42,380	36,880	31,380	25,880	20,380	14,880	9,380	
units	2,810	2,460	2,110	1,760	1,410	1,060	710	360	
Vendor 2									
Inventory in dollars	38,600	31,530	28,430	25,330	22,230	19,130	16,030	12,930	
Inventory in units	3,500	2,610	2,260	1,910	1,560	1,210	860	510	
Sales dollars, basic	3,200	3,100	3,100	3,100	3,100	3,100	3,100	3,100	24,900
Sales units, basic	450	350	350	350	350	350	350	350	2,900
Sales dollars, integrated	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	
Sales units, integrated	440	440	440	440	440	440	440	440	
Net inventory									
dollars	31,530	28,430	25,330	22,230	19,130	16,030	12,930	9,830	
units	2,610	2,260	1,910	1,560	1,210	860	510	160	
Vendor 3									
Inventory in dollars	55,000	48,500	43,000	37,500	32,000	26,500	21,000	15,500	
Inventory in units	3,500	3,050	2,700	2,350	2,000	1,650	1,300	950	
Sales dollars, basic	6,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	45,000
Sales units, basic	450	350	350	350	350	350	350	350	2,900
Net inventory									
dollars	48,500	43,000	37,500	32,000	26,500	21,000	15,500	10,000	
units	3,050	2,700	2,350	2,000	1,650	1,300	950	600	
Vendor 4									
Inventory in dollars	55,000	48,500	43,000	37,500	32,000	26,500	21,000	15,500	
Inventory in units	3,500	3,050	2,700	2,350	2,000	1,650	1,300	950	
Sales dollars, basic	6,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	45,000
Sales units, basic	450	350	350	350	350	350	350	350	2,900
Net inventory									
dollars	48,500	43,000	37500	32,000	26,500	21,000	15,500	10,000	
units	3,050	2,700	2350	2,000	1,650	1,300	950	600	
Vendor 5									
Inventory in dollars	55,000	48,500	43000	37,500	32,000	26,500	21,000	15,500	
Inventory in units	3,500	3,050	2700	2,350	2,000	1,650	1,300	950	
Sales dollars, basic	6,500	5,500	5500	5,500	5,500	5,500	5,500	5,500	45,000
Sales units, basic	450	350	350	350	350	350	350	350	2,900
Net inventory									
dollars	48,500	43,000	37500	32,000	26,500	21,000	15,500	10,000	
units	3,050	2,700	2350	2,000	1,650	1,300	950	600	

The business marketing plan— Plan implementation



CHAPTER 7

Introduction

In this chapter, we will take a step-by-step approach to developing a marketing plan. This will build on the planning and analysis concepts that we introduced in previous chapters and help you to develop appropriate actions to implement them. This plan will help you to develop a measuring stick for success, and this measuring stick will help you improve your customers' experience and your sales.

Information gathering

Gathering information may not be part of your normal exchange with market vendors. We will provide tools to make this new process easier.

Some of the most common measurement techniques are both quantitative and qualitative. The following is a listing of specific types of information-tracking techniques.

1. Operations

- income statements
- sales trends
- margin rates
- product comparison
- multiple item sales reporting

2. Consumer

- exit surveys
- satisfaction surveys
- focus groups
- promotion unit tracking
- pricing unit tracking
- source tracking
- zip code sorting

3. Media outlet

- response rate tracking
- web page usage
- point-of-purchase tracking

Gathering information is important because it provides feedback to you and to vendors on their performance. It allows for objective analysis of market and vendor performance and provides information on how we can improve that performance. It will reduce the time and cost of unproductive marketing efforts. When you're not sinking time and resources into ineffective marketing, you'll have more time to try new things. Measuring the success of your marketing efforts will also help you justify marketing's value to your vendors and committee or board. Similarly, proper tracking can extend solid productive strategies.



Farmers' markets pose unique challenges to measuring marketing success. Despite, or perhaps because of, the variety of vendors united in one location, tracking sales is difficult, and vendors often resist volunteering sales information because they fear reporting implications for taxes and payroll. While it is important to understand these concerns, it is also equally important to express the value of sales data to the viability of the market and vendors.

To alleviate vendors' reluctance, reporting can be done at the product line level instead of at the vendor level. Fruits, vegetables, bakery, processed foods, and specialty foods are some simple classifications you can use. These groupings will provide privacy for your vendors but are discrete categories for setting sales goals. Avoid using categories that would include only one vendor and be sure to let your vendors know their category in order to keep reporting consistent. You may decide the best categories for your market, but the idea is to bring comfort to individual vendors and yet have an easy-to-analyze reporting classification.

Two information-gathering methods are blind tallies and a bag or box drop. The first method is a weekly tally that is set up by each product line and passed to the vendors selling in that category. Once they fill out their individual tally, they return it to market management. The second is a simple sheet that has lines for category, date, and sales in dollars and/or units. This is put in a pass-along bag that is returned to the office. Both methods have a solid tradition of working in a farmers' market setting.

Work with your vendors to find a method that works for them and for the market. In addition to finding a comfortable means of collecting data, consider an appropriate timeframe in which to collect this information. Many vendors will not be able to provide sales information on the day of the market and some may be willing to provide it once or twice a month instead of weekly. Although it's important for vendors to feel comfortable, they must also realize that this information will help you to bring in the right new vendors and avoid saturating the market with any single product. This information will help you to know if you really need another sweet corn vendor or if another type of vendor would be more appropriate. The ability to show that the benefits far outweigh the costs to each vendor will allow you to have the confidence that data can be available to continue with the planning process.

Evaluation of information has become easier also with the advancement of benchmarks, or standards by which similar items can be measured or compared. In this book we have some solid benchmarks for farmers' markets that will begin your process of easy evaluation. We will also show you how to develop your own historical and projected goals and convert them into benchmarks. All the benchmarks we will use are activity-based. That is, they use ratios of outcomes to actions. Marketing as we have said is about empowerment and action. Our benchmarks should reflect our mantra. Let us explain.

If we look at sales by day and we have the first day at \$1,000, and the second day at \$2,000 we would say the second day was better than the first day. But when we add the number of customers per day we may get a far different story. On the first day we had 50 customers or \$20.00 spent per customer but on the second day we had 200 customers who only bought an average of \$10.00 per day. With that benchmark we could evaluate whether our marketing plan made a difference or not. As you can see benchmarks help to evaluate more quickly and effectively.

Planning assumptions

The first and the most important part of the marketing plan are the planning assumptions. This section is the bridge between your mission statement and the statistics you will employ to measure your success.

In defining our planning assumptions, we will use the mission statement to define goals, constraints, and opportunities. These three factors are a part of every successful plan. In your planning assumptions, you will need to include measurable outcomes for each assumption. This can sometimes be a difficult process. In this chapter we will approach it in a simplified manner.

You will notice we recommend using the words "we" and "our" in the assumptions. This plan communicates the needs of the market as a whole. Be inclusive with your statements to ensure that everyone integral to the plan feels included in and committed to the plan.



Planning assumptions are always short (one or two sentences) statements that define a goal, a constraint, or an opportunity. They are objective and usually numeric. They are sometimes called “drivers” or standards of performance.

Constraints

The first and most obvious planning assumption is the length of your farmers’ market and the hours of operation. The number of days and hours of operation are critical to developing any type of sales plan. The likely statement would be “Our farmers’ market will operate on Saturdays 22 weekends from April to October.” The second statement would be “Our hours of operation each Saturday will be from 7:30 AM to 12:00 PM for a total of 4.5 hours per day/ week.” Another variation is listing out the products you will be selling. “We will be selling fresh vegetables, fresh fruits, and other related products grown within an eighty-mile radius.” You can be as specific as you like.

In those two simple statements you have answered two critical questions. The first is that you will have 22 days of operation and you will have 4.5 hours of operation per week. These two elements are considered constraints because they define a limit. They determine how much capacity or time you have to reach your goal. Normally, constraints are the first set of assumptions you make.

The next assumption is determined by determining the market layout and the number of vendors for the year. (You can use the plan-o-gram described in chapter 3 for this.) This will be based on historical vendor performance or on an opportunity to improve your product mix or meet customer demands. To do this, you’ll need to think about your vendors and their individual contributions to the overall success of the market. These decisions should not be based on which vendors with whom you have a good relationship or the number of years a vendor has been at the market. If space is limited, you may need to make difficult decisions about who is included in the market. Base your decisions on facts such as sales, product quality, displays, pricing, customer service, and willingness to work with market managers. These decisions need to be made in order to encourage the success of the market.

This assumption will read: “For this season we will have a total of 31 vendors represented at our market.” You may want to break that down further by the number of produce, dairy, meat, plants, flowers, bakery, and specialty types of vendors. Once again you are setting a constraint by delineating products, their locations, and the co-branding options for achieving sales goals.

Goals

With goals, you will define expectations for you, staff, and the vendors. The assumptions here are defining dollar sales and unit sales and will define sales strategy.

In this section you typically will have two affirmative assumptions. The first is the sales goal itself. This will require the preparation of an individual sales tally for each farmer to be used as a benchmark. Remember, these are your goals for the market. You may need to seek input from your board or agency. As the planning process proceeds you may need to revise the plan, but you need to start somewhere. With the tools we described in earlier chapters you will carefully assess the prices for each major product and the number of product units. This information is usually secured by informal discussions with your vendors or your own historical tracking. We will discuss that process in the last chapter. The tally sheet for your sales assumption sheet can resemble the example below.

Sales tracking sheet

Planning assumption 20__

Vendor	Products	Units	Price	Sales
Blueberry Farms	Blueberries	2,030	\$3.00	\$6,090
Knudston’s Potatoes	Potatoes	7,800	\$4.00	\$31,200
Edward’s Carrot Farm	Carrots	3,500	\$4.25	\$14,250
Total		13,330		\$51,450

The goal statement reflects your planning strategies and is relatively direct. "The sales for this season will be \$51,450. The total number of units we will sell will be 13,330." This defines the goals for you, your staff, and the vendors. It is an objective statement incorporating strategies and performance. If you are unable to obtain the information to develop this statement, alternative methods are discussed in the next chapter.

The next statement is attendance. Bringing consumers to your market is an important step to reaching your sales goals. Your direct and indirect marketing techniques will be needed to meet this goal. Again, your perspectives will be historical performance and careful planning for the current year based on promotions and directed programs aimed at increasing attendance.



The statement is based on an attendance tally sheet that looks something like this:

The statement that you will make is as follows: "For the season we will have a total attendance of 22,200." Again, the total attendance is a goal that will define how you and your staff will provide strategies by week to make the attendance goals a reality.

Attendance tally sheet

Week	Attendance last year	Factors	Attendance this year
1	2,338	Sunny — 70°	2,300
2	4,378	Rainy — 53°	5,500
3	3,167	Special promo	4,000
4	11,300	Memorial Day	11,400

Opportunities

The final set of planning assumptions is opportunities. This is a chance to move from strategy to policy and engage everyone in generating innovative ways to reach sales and attendance goals. These can include policy statements such as:

- "We will increase attendance by increasing the number of weeks that vendors will be at the market to 8."
- "We will be open Friday nights four times during the year. The Friday Night Specials will include special discounted promotions."
- "We will have live entertainment at six of our weekends to bring in younger couples to shop at our market."

The ideas you engage in at this level are important because they will define where you expect to improve on your performance from the previous year. It is a great way to challenge your staff and your vendors to reach out and find ways to make the experience at the market as worthwhile as possible.

In total your planning assumptions should not exceed 8–12 statements. These planning assumptions should be accompanied by a planning calendar.



Planning calendar

The planning calendar is another important tool to execute your plan. The calendar is a series of actions steps that will allow you to activate the plan. A sample planning calendar is below.

The planning calendar should be simple with clear assignments denoting the person responsible. In most cases you as the managing director will be responsible for all action steps, but it is important to engage everyone. The more you engage your staff and the vendors, the more successful the plan will be.

Planning sessions

Communication of a plan is critical to its success. Using a top-down planning model, you must initiate the communication and engagement.

Communication about your plan should begin with the vendors. They are the catalyst for most of the market's success. You must develop an effective strategy with each farmer, and this will involve three steps:

- 1. Products
- 2. Pricing models
- 3. Revenue goals

For each vendor you must develop a sales plan as discussed in the last chapter. Simply use the model we gave you and discuss the following items:

- 1. Which products will you sell (limit products as appropriate to optimize mix)?
- 2. How will you package and display the products? This involves presentation, signage, and unit of sale. Are they going to sell in baskets, by the pound, or pre-packaged?
- 3. What is the expected baseline price for the products? This is very critical. Many surveys have been done of farmers' markets across the United States, and price is not one of the primary reasons people shop at farmers' markets. Overwhelmingly, consumers shop for quality, freshness, and taste. You must work on quality-based pricing in order to support your farmers and the health of local agriculture. Consumers at farmers' market will pay more than in a grocery store if market products are presented properly. You must work carefully on unit pricing.

- 4. What special promotions can work for this vendor? Multiple selling options are always preferred to straight discounts. Can they work with another vendor on cross- or co-branding promotions? This is your chance to manage the process as well as be the mentor or teacher.

- 5. Sales by week. Look at realistic sales based on the first four items.

- 6. Total sales for the season.

Yes, this will take time. But, like building anything of quality, you will need to take the time to work on the details. A great plan is made up of more than insight; it also requires some perspiration. In the beginning you may want to start with a few vendors in order to become comfortable with the process and then include more vendors as you progress.

The next major planning sessions are with your staff and board or agency to look at the attendance component of the plan.

The key elements in this planning process are as follows:

- 1. Promotions plans
- 2. Marketing plans
- 3. Attendance plans

Annual planning calendar

Activity	Date	Person responsible
Planning assumptions	1/15/2010	Managing director
General meeting	1/20/2010	Managing director
Meetings with vendors	2/01-2/28/2010	Managing director/vendors
Meeting with staff Promotions plan Marketing actions Attendance plan	3/01-3/31/2010	Managing director/staff
Revenue plan	4/01-4/05/2010	Managing director/staff
Expense plan	4/06-4/10/2010	Managing director/staff
General meeting: Final	4/15/2010	Managing director

Planning sessions should concentrate on promotional strategies to draw people to your market immediately. You must cultivate awareness of the market's existence and instill in customers the desire to visit as soon as possible. Effective promotions will create this sense of immediacy.

Some simple ideas for creating the right promotions are as follows:

1. **Special events**—Demonstrations, guest speakers, and live music are just a few ideas.
2. **One-time events**—Bring in a special product. It might be a flower show or an evening market.
3. **Market-wide events**—This can be a special discount offered by all vendors for customers who attend the market during a certain time period.
4. **Community events**—Tie your market to a special event in the community such as July 4th celebrations, festivals, or concerts. Working with the chamber of commerce or business improvement districts is a great way to create promotions that coordinate with events with large attendance.

How much is too much? In general, including about half of the season in promotions is a reasonable goal.

Integrating your marketing plan into the annual plan is another factor critical to success from year to year.

The marketing plan should define the following questions each year:

1. What specific active marketing strategy will you do, and what is the cost versus the benefit in terms of revenue? All active strategies are based on cost/benefit.
2. What passive benefit strategies will you engage in and what is the cost versus the benefit? This is a much more difficult process because passive forms of advertising require long-term measurement and are not always definable in the current year.
3. How does the marketing plan support the promotional plan? How well is the promotional plan integrated with active and direct strategies to increase attendance and visibility this year? This set of decisions should be defined in your current year's marketing plan. This portion of the written plan is not numerical. It allows you to measure whether you have executed the plan as identified.

The final portion of the plan is the attendance plan and is based on a promotions plan and marketing plan. The plan should be defined by the number of weeks in operation, total hours open, the number of vendors, and the number of promotions built into the plan. You will need to modify your plan by the amount of money spent on marketing and the strength of passive marketing.

Financial plan

The final development of the marketing plan is the financial plan itself. It is the most definable part of the plan. It will allow for proper tracking of the success of your plan (see sample below).

The plan should be supported by a well-prepared annual marketing plan, promotions plan, and an individual sales report for each vendor. This set of reports is your finished and completed plan.

Sample financial plan—Marketing

Week	Attendance	Key promotion	Dollars projected	Expense
1	12,300	free T-shirts	114,600	13,800
2	11,600	Veggie Day	121,500	16,300
3	15,800	live band	167,300	23,800
4	10,380	organic teas	110,700	4,900
5	16,700	community event	151,300	16,300

Conclusion

This chapter was a step-by-step process of how to prepare the marketing plan. It provided a concise, sequential set of actions to implement the marketing plan and vision you prepared in earlier chapters. It is a clear communication tool between you and vendors and equips your staff with clear goals and timelines. This process will ensure an objective baseline to execute your marketing plan.

Exercises

1. Use your plan-o-gram and determine how many vendors you will have for your upcoming season. What products will they need to sell?
2. Look at your initial planning assumptions and compare them to your mission statement. Are you missing anything in those assumptions that is reflected in your mission statement?
3. Compare your basic plan to your integrated plan. What opportunities do you see to increase revenue for vendors by co-branding?
4. Develop an outline of your meeting with a vendor to discuss his sales dollars and units for next year.
5. Develop an idea for a simple promotion for your market.

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Analysis of the marketing plan



CHAPTER 8

Introduction

This chapter is the last piece of the three-chapter discussion on the planning process. In this chapter, we will focus on analysis of actual results compared to the plan. We will develop a model of analysis called a scorecard and allow you to modify it as you see fit for your farmers' market.

Comparison

The most important element of planning is the comparison of your plan to actual results. This involves an evaluation of your strategy rather than a simple comparison of numbers. Sample questions are:

- "Did our promotional plan work for beets?"
- "Did our attempt to draw additional consumers over the 4th of July work?"
- "How did the rain affect our overall results in June?"

When using comparison as the basis for your evaluation, you will start with the actual numbers for a set period or event and eventually evaluate the larger strategy. These numbers will help you to see the results against the backdrop of the financial plan that you created from the information in the last two chapters.

In this section we will compare those results to the plan and, in some cases, information from previous years. Most of our comparisons will be based on trends or results over a longer period of time.

Scorecard

The most frequently used financial tool for comparison is something called a scorecard. The scorecard is a compilation of several pieces of information that, when combined, provide a complete evaluation of your results compared to your planned strategy. Scorecards are used extensively with large and small businesses of all types and vary by industry. We have developed a simple scorecard for use with farmers' markets.



Scorecard model

This model is a one-page tool that examines sales in dollars, sales in units, and attendance. These elements are called revenue drivers. We also provide expense numbers for cost of promotions, cost of markdowns, and cost for advertising. These are called expense drivers. Our model is flexible in that you can track sales by vendor or simply roll all numbers together at the summary level. The more detailed the scorecard, the more insight is available.

When examined relative to one another, revenue drivers and expense drivers combined together are called ratios. They show how much revenue is derived from a stated amount of resources. Ratios are very helpful because they provide insight into performance and strategy. They take abstract numbers and

provide answers to questions posed in a marketing plan such as: "How much did we make by advertising Friday nights on the internet?" and "Did the 2-for-1 promotion work for our potato farmer?" The scorecard uses several ratios. These include:

1. Sales in dollars versus planned goals—percentage increase or decrease compared to plan
2. Sales in units versus planned goals—percentage increase or decrease compared to plan
3. Sales in dollars versus actual and planned attendance—This tells you an average of how much each person who attended the market spent.
4. Actual attendance versus goal attendance in plan—This is a simple comparison of attendance.

5. Attendance actual divided by expense dollars spent for a price promotion
6. Attendance actual divided by expense dollars for attendance promotion
7. Attendance actual divided by expense dollars for ongoing advertising

These seven ratios are the most helpful in evaluating the overall direction of your plan. Once you have a series of weeks for this information, your ratios now expand to allow trend comparisons. These include:

1. Dollars sales versus plan for a four-week period or for the farmers' market season to date
2. Attendance actual versus plan for a four-week period or for the farmers' market season to date

Scorecard

Time frame	Sales: actual dollars	Sales: planned dollars	% change to plan	Sales: actual units	Sales: planned units	% change to plan	Attendance: actual	Attendance: planned	% change to plan
Week 1	15,400	13,000	18.46%	103,455	100,000	3.46%	3,555	3,000	18.50%
Week 2	18,700	12,000	55.83%	104,500	100,000	4.50%	4,140	3,000	38.00%
Week 3	8,700	12,000	-27.50%	87,600	100,000	-12.40%	1,850	2,500	-26.00%
Week 4	16,755	11,000	52.32%	110,566	110,000	0.51%	3,650	4,000	-8.75%
Monthly sales	59,555	48,000	24.07%	406,121	410,000	-0.95%	13,195	12,500	5.56%
Week 5	17,650	12,000	47.08%	103,500	105,000	-1.43%	3,641	3,000	21.37%
Week 6	14,400	12,000	20.00%	99,806	105,000	-4.95%	3,345	3,000	11.50%
Week 7	9,980	12,000	-16.83%	63,453	105,000	-39.57%	3,875	3,000	29.17%
Week 8	14,300	13,000	10.00%	97,850	105,000	-6.81%	2,905	3,000	-3.17%
Week 9	21,800	17,000	28.24%	133,564	110,000	21.42%	7,855	6,000	30.92%
Monthly sales	78,130	66,000	18.38%	498,173	530,000	-6.01%	21,621	18,000	20.12%
Week 10	16,400	12,000	36.67%	102,400	106,000	-3.40%	2,990	3,000	-0.33%
Week 11	13,533	12,000	12.78%	100,200	106,000	-5.47%	3,200	3,000	6.67%
Total sales for period	167,618	24,000	598.41%	202,600	212,000	-4.43%	6,190	6,000	3.17%

To examine trends, you can look at all seven ratios or simply the first two. These will allow you to see beyond factors such as a decline in sales due to weather and other unforeseen events. In this way, the true effect of your marketing plan can be seen.

Tracking the strategy

The last piece of information is simply stating each week's strategy in the scorecard so you have a record of event success and long-term trends against which you can evaluate your strategy.

Conclusion

The scorecard is a powerful tool for analyzing your marketing plan's success and communicating these results to your staff and your vendors. It is instructional in that it compares results to a plan and allows for improvement in use of resources and strategies for increasing volume and attendance. The tool, if maintained, will always provide a basis for future marketing plans and will help to improve your development of an effective marketing plan.

Exercises

1. Put your expected plan into the scorecard model. Using just the plan information, what do the ratios say about the direction of your marketing plan?
2. What additional items do think you would like to see in the scorecard? How would you see those affecting your knowledge of the plan?

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Expense: promotion	Expense: mark-downs	Expense: advertising	Sales: promotion	Sales: markdown	Sales: advertising	Promotion type	Weather	Comments
340	2,100	400	304.28	49.26	258.64	2 for 1	Cloudy 64	
360	1,470	400	290.28	71.09	261.25		Sunny 76	
290	1,340	400	302.07	65.37	219.00	Mother's Day	Rain 59	
1,500	1,230	400	73.71	89.89	276.42	30% off	Sunny 87	
2,490	6,140	1,600	163.10	66.14	253.83			
380	1,100	400	272.37	94.09	258.75		Rain 64	
380	1,450	400	262.65	68.83	249.52	Father's Day	Sunny 83	
420	1,550	400	151.08	40.94	158.63	live band	Sunny 86	
1,456	2,300	400	67.20	42.54	244.63		Cloudy 53	
4,500	7,700	400	29.68	17.35	333.91	4th of July	Sunny 79	
7,136	14,100	2,000	69.81	35.33	249.09			
550	1,100	500	186.18	93.09	204.80		Rain/Sun	
450	1,200	500	222.67	83.50	200.40	Veggie Day	Sunny 86	
1,000	2,300	1,000	202.60	88.09	202.60			

Working with vendors, customers, and farmers' market committees



CHAPTER 9

Introduction

Many strategies in this guide may be new to you, and some may seem controversial. As you begin to make decisions about what strategies to apply, you may be wondering how you'll get your vendors or board members to go along with some of these ideas. Vendors or board members may have their own ideas. The purpose of this chapter is to help you communicate these ideas to your stakeholders and to gain their support.

The most effective way of gaining stakeholder support is by including them in the process. Although this can slow the speed of decisions, it also takes the responsibilities of the decisions off of your shoulders. If you have vendors, community members, advisors, or customers who are strongly engaged in the market, enlist their talents. Create a board or committee to assist you with the responsibilities of the market and help to determine its direction. You can gain a lot of perspective by listening to others. Some groups to consider including on your board are: vendors (if the market is a mixed market, the committee members should represent all types of vendors), community members, representatives of the municipality or local businesses, and a representative from the local health department.

The committee's role in the market can be advisory or decision-making. They can meet regularly or as infrequently as once a year.

Initially, the key tasks for your committee are to create a mission statement and rules (with consequences) or revisit them if they already exist. Having a mission statement and a vision for your market will assist the manager in enforcing rules, determining the kinds and numbers of vendors to include, and essentially giving direction to all market management decisions. It also helps to ensure buy-in from those who sell at the market and will lead to more compliance with market rules.

Communicating with vendors

Regular communication with your vendors is a key part of successfully managing a farmers' market. The goal is to create a relationship with your vendors so that they feel comfortable discussing their ideas and concerns, and so that you have the ability to discuss yours in return. Communication with vendors can be accomplished in a variety of ways including a regular newsletter, e-mail, letters, and one-on-one conversation when the market is slow.

Once good communication has been established, it will be easier to offer advice or recommendations to vendors. Advice offered in certain ways can improve the chances of it being considered and even implemented. Here we will give an overview of some potentially useful strategies.



Direct communication

Whether you're approaching a vendor about improving signage or about a broken market rule, it is important to do it with respect. Speak with vendors when they have the ability to give you their attention, not while they are busy waiting on customers or setting up displays. Try not to be confrontational. Using phrases that start with "I" can help. "I noticed that you don't have signs" or "I've heard some concerns about the origin of your pineapple."

If you would like the vendor to make a change, try using pictures or written materials supporting your position or try offering any resources that the market can provide. If the problem is a broken rule, then let the vendor give his or her perspective, discuss the consequences of breaking the rule, and, if necessary, put together a written plan to help the vendor comply. A failure to enforce market rules will undermine your credibility as a manager and the morale of other vendors at the market.

Group meetings

Group meetings can effectively influence behavior. Since vendors are in a group, meetings are less confrontational and may help resistant vendors absorb information better. Adding information or education on topics like signs, displays, or customer service can be helpful.

Interactive group activities can be useful, too. For example, take pictures of displays at other farmers' markets, some good and some bad. Provide photos of your vendors' stalls, as a point of comparison. Ask your vendors to discuss what they like about the competitors' displays and what could be done differently. Then ask them to apply some of what they have learned to their own stalls. You may also want to discuss what hurdles exist to making their displays more attractive and what the market could do to help them overcome those constraints. You may also want to award prizes for the most improved or most innovative vendor stalls.

Use an expert

When dealing with difficult issues, including an outside expert may be a good option. Vendors will often consider the point of view of an expert coming from outside of the market more seriously than someone they know. A variety of people are available to serve as experts; involve your committee in finding the resources that you need. Many are free. Consider contacting your county Cooperative Extension office, health department, other markets, or community members to find the resources that you need to improve your market.

As the market manager, it is important that you are committed to the mission of the market. As your vendors and customers see your commitment and recognize that your goal is to support the community by optimizing the farmers' market experience, gaining the support of your customers and vendors will become easier. When vendors are happy with their profits, they are much less likely to resist your attempts at improvement.







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