

Creating a Farmers Market Living Lab:

Lessons Learned in

Growing a

Farmers Market



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Table of Contents

Introduction	1
What we set out to accomplish in writing this booklet, and why we did it.	
How to Make Your Market a Living Lab	9
How we used our farmers market as a “living lab,” and how you can use your farmers market as a lab to experiment with ideas.	
Lessons Learned of Interest to Farmers/Producers	19
What we discovered that may be of interest to farmers/producers who sell at a farmers market.	
Lessons Learned of Interest to Market Managers	34
What we identified that may be of interest to managers of farmers markets.	
History and Description of the Historic Lewes Farmers Market	42
Background on our market.	
Acknowledgements and Resources	46
Our appreciation of those who helped make our “living lab” come alive.	

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Introduction

This booklet is the result of asking the question:

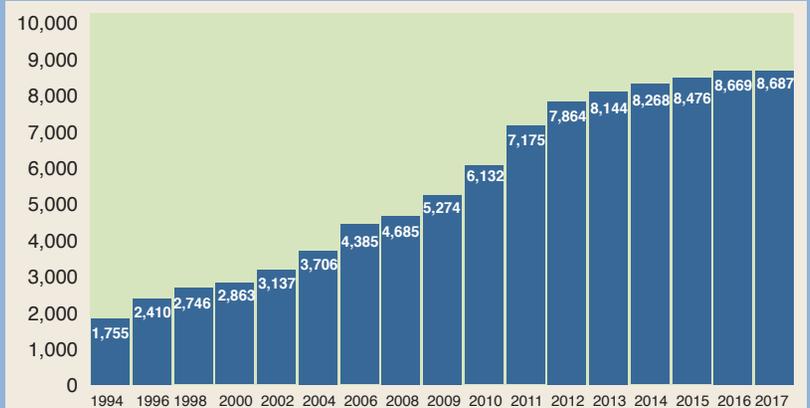
What can we do to increase sales and attendance at our market?

At first glance, it is a very simple question, but we found that the answer is more complex. We begin with a bit more detail on the question itself.

Why we care about this question.

We know that this is a question that farmers markets across the country are asking themselves. Despite a record surge in the number of farmers markets nationwide - more than tripling from 2,863 markets in the year 2000 to 8,687 in 2017 - the rate of growth has slowed significantly in recent years.

National Count of Farmers Market Directory Listing



Source: USDA-AMS-marketing Services Division
Farmers Market information is voluntary and self-reported to USDA-AMS-Marketing Services Division

Whether this slowing of growth in the number of markets is due to a saturation of the marketplace or other factors we can't be sure. At the same time, we have experienced a rapid growth in sales at our farmers market followed by a slowing in growth. We expect that we are not alone in this.

Many markets find themselves in a more crowded competitive environment now than when they started. Several factors have led to this difficult situation. As the chart shows, there are more farmers markets. There are also more Certified Organic farmers competing in the organic segment of the market. The USDA reports that Certified Organic producers grew 12% in 2016 alone. ("USDA Reports Record Growth in US Organic Producers", April 4, 2016, usda.com). While more markets means more direct sales opportunities for farmers, this is only helpful if overall spending at farmers markets is also increasing.

Growth in the number of markets and declining retail prices for many products as reported by the Bureau of Labor statistics, ("Average Retail Food and Energy Prices." Bureau of Labor Statistics, 2016), create a complex and changing competitive environment for farmers markets and farmers who sell direct to consumers. Yet, sales growth for existing farmers markets is critical to their long-term viability, and to the success of the many farmers whose livelihood depends on them.

Despite the challenges resulting from this business environment, the ability of farmers markets to respond to and ride consumer trends could drive strong growth.

A major trend affecting food markets may be the impact Generation Z (born between 1995 and 2014) will have in the coming years. Gen Z consumers are said to prefer "fresh home cooked meals", "hate corporate greed, don't trust brands, and demand transparency".

"While the food industry argues about the definition of sustainability, consumers have already weighed in and are making their food decisions based on where and how their foods are made, grown, raised and by whom." "Ten Food Trends That Will Shape 2017" reported by Forbes (Dec 14, 2016, Phil Lempert).

Gen Z consumers are said to prefer "fresh home cooked meals", "hate corporate greed, don't trust brands, and demand transparency".

With Amazon entering the food market and more grocery outlets offering local and organic products, farmers markets may need to carefully consider not only how to grow but also how to survive.

Why we looked at both sales and attendance.

Over the 10+ years our market has been in operation, the average sales per customer has been quite stable. Most of our growth to date has come from attracting more people to the market (i.e. increasing attendance). For this reason, we saw increasing the number of customers the market attracts as an obvious way of trying to increase our sales.

We also decided to consider how we could increase sales themselves, for two reasons. First, we really wanted to see if we could increase sales per customer. We believed that our average sales per customer was a relatively small fraction of their weekly spending on food, and we wanted to see if we could capture a larger share of their spending. Second, we know that the most important measure for our farmers is sales. If we were able to increase the number of customers coming to the market but not increase sales, we would not be helping our farmers. Because our market is in an area that attracts many tourists during the

peak of summer, we knew that better promotion of the market could possibly increase the number of folks enjoying the market atmosphere and taking photos, but we know from sales history that tourists purchase less at the market.

Why we broke the main question into several smaller more specific questions

While increasing traffic and sales overall was our main interest, part of the mission of the Historic Lewes Farmers Market is “...to help create local and sustainable food systems that are environmentally sound, economically viable and socially responsible and which improve the variety, freshness, nutritional value and distribution of fresh farmland foods to the community.” Based on this mission, we accept Supplemental Nutrition Assistance Program (SNAP) electronic benefits transfer (EBT) payments at our market. We also provide dollar for dollar matching funds every week for up to \$20 in SNAP funds issued.



Because we accept SNAP payments, we were particularly interested in looking at whether we could not only increase sales and attendance overall but also sales using SNAP (and matching dollars) and attendance of SNAP recipients.

We also thought that it was important to identify not only actions that can be taken to increase overall sales at the market but also actions that can be taken to increase sales at the level of a market stand or specific product. In the end, overall market sales revenue is the sum of sales across stands and products, and we knew that if we found ways to increase sales at a given market stand, the approaches could be used for all stands and result in increases in overall sales revenue.

Why we decided to make our market a “living lab”

Asking questions is much easier than answering them, especially when you want fact based answers. We knew we wanted a way to use concrete data to answer our two main questions:

- 1 What can we do to increase sales and attendance at our market?
- 2 What can we do to increase sales and attendance of SNAP customers at our market?

As we looked for answers, we found lots of ideas and lots of impressions of what works to increase sales, but very little hard evidence on what actually works. While many resources exist to help beginning farmers markets get started, there are very few informational resources for growing existing markets. And, while the available resources are useful, most are based on qualitative information and generic suggestions, rather than empirical research based on measurable data. We believed that we had an opportunity to address this lack of information by using our

market as a “living lab” in which we could conduct experiments to test ideas to not only improve sales and attendance at our own market, but also at markets nationwide. Because we had over ten years of data on sales and attendance, we were in a good position to test and discover what really works. We did this by systematically trying out ideas and collecting information on the results, as opposed to relying solely on impressions or opinions.

At our market, we are fortunate to have a wealth of data. Since the beginning of our market, we have collected information for every market on:

- ✓ **total attendance**

- ✓ **total sales**

- ✓ **sales for each market stand**

- ✓ **number of SNAP customers**

- ✓ **number of new SNAP customers**

- ✓ **total SNAP \$ issued**

- ✓ **total SNAP \$ redeemed**

- ✓ **total SNAP matching \$ issued**

- ✓ **total SNAP matching \$ redeemed**

This data made it much easier for us to measure the impacts of experiments.

Like most farmers markets, our time and financial resources are limited. We wanted to know what really works and is worth the investment of our time and money. We knew that the same was true of the farmers who attend our market. Our purpose was to try out some of the many ideas we were hearing to increase sales and attendance and to measure the costs and impacts of

these. We conducted two types of experiments. One was at the market stand level - where we tested out an idea at one market stand and measured and compared sales before, during, and after the trial at that stand. The other type of experiment we conducted was at the market level - where we tested out an idea at the market, and compared overall market sales and/or attendance to the same week the prior year and the week before and the week after the trial at the market.

In one market stand experiment, we tested whether sales could be increased by adding a photo of the product in a cooler to a sign on the outside that lists just the product and its price. We first measured sales of the product in the cooler for one market day, with the current sign showing only the name of the product and the price. We then placed a color photo on the cooler along with the name of the product and the price for one market and again measured sales. We then removed the photo from the cooler at the next market, went back to the sign showing just the product name and price and again measured sales. By comparing sales when the photo of the product was placed on the cooler to sales when it was removed, we were able to measure the impact of having a photo to show what was in the cooler.

Sometimes it wasn't possible to do a true experiment. In those cases, we used qualitative approaches to assess the impacts of some of the things we tried. For example, we placed signs on many market stands describing how long the farmer had been in business, how far they drive to the market and an interesting fact about the farmer or the farm. In this situation, we relied on observations and on reports from our farmers to assess whether the signs were being read and their impact.

This booklet is a summary of what we found when trying to answer our questions and describes the lessons we learned. The booklet is divided into 5 main sections. In the first section, we

describe how we went about using our market as a “living lab” in which we conducted experiments to answer our questions. It also provides advice for farmers and markets on how to go about creating your own “living lab” to test ideas. In the second section, we cover lessons learned that may be helpful to farmers. The third section describes lessons learned for markets and market managers including lessons learned from our attempts to increase the use of SNAP benefits at the market.

Because we are sharing lessons learned from the experience of our market and our farmers, and because the experiences of other markets may differ, the fourth section provides a brief description of our market to provide more context for our findings. Finally, no report is complete without thanking the many people and organizations that contributed to this report. These, along with some of the resources we used, are detailed in section five.

Section 1.

How to Make Your Market a “Living Lab”

From the inception of this project, we considered the Historic Lewes Farmers Market to be a valuable asset in carrying out research that can serve to both improve our own market and to provide data that can help other farmers and markets across the country. We recognized in our market a great opportunity to create a “living lab” - a place where we could conduct experiments in real time, with actual farmers and customers, and analyze real-world results. We thought it might be helpful to describe in more detail the steps we followed in making our market a “living lab”.

1. Decide what main questions you want to answer and the measures you will use

The questions we wanted to answer were our starting point. As described earlier, the two questions we focused on were:

- 1 What can we do to increase sales and attendance at our market?
- 2 What can we do to increase sales and attendance of SNAP customers at our market?

These questions determined what we measured. It is important to be specific and identify what you’re looking to study and what effects you ultimately want to see. Is it increasing the number of customers attending? The amount of farmer sales? Number of SNAP transactions and SNAP dollars spent? The number of farmers consistently attending the market? The average dollars

spent per customer? Because of the wealth of data our market has collected, we could address any of these questions.

We decided to focus on four main issues:



While the questions you decide to study will determine what you measure, there are often a variety of measures from which you can choose. For example, we spent some time debating whether we were more interested in the number of SNAP customers at each market or the number of new SNAP customers. In the end, we decided we were most interested in specifically attracting new SNAP customers to the market and in testing ways to reach new customers.

For any measure, there may also be options regarding how you will collect data. At our market, we have volunteers who count the number of customers entering the market at each access point to the market. This becomes our “gate count” of attendance. This is a fairly labor intensive approach to counting attendance. However, attendance can also be measured in many other ways. (*Counting Shoppers at Your Farmers Market* by Colleen Donovan & Karen Kinney Feb 8, 2017, and *Counting*



Visitors at Markets by Dar Wolnik, both can be found at www.farmersmarketcoalition.org).

2. Decide what ideas/interventions to test

Once we decided what questions we wanted to answer and how we would measure impacts, we needed to decide what ideas or interventions to test. To generate ideas to test that might affect our four target areas, we used several approaches. First, at our annual farmers orientation meeting, we asked what they thought the market could do to increase sales and attendance. This was important both because we wanted to leverage their extensive knowledge and experience selling at markets, and because we needed their involvement in conducting any experiments. Second, we asked members of our Board of Directors and long-term volunteers for their ideas.

Again, we wanted to leverage their experience, and we knew that we might need their support in conducting any tests. Third, we conducted an observational survey of our market. This



involved using an observation form we developed to survey each of our market stands. This observational survey enabled us to step back and look at our market with fresh eyes and record or rate each market stand on things like: Is the name and location of the farm clearly shown? Are product prices clearly shown? Are unusual products labeled? How do you rate the attractiveness of the display?, etc.

Finally, we consulted the literature and research on improving sales and attracting customers. A great deal of research has been done in other retail settings on how to sell, how to increase sales and how to attract and retain customers. From this research on improving sales, we identified several general principles (out of a longer list described by Robert Cialdini in his book *Influence* (1984)). These principles have been gleaned from research in many settings, and we thought many of them would be useful to consider when designing our experiments to increase sales at farmers markets:

- ✓ **Reciprocity**
When you give a customer something, they feel more inclined to reciprocate and buy something from you. Free tasting samples given out at a farmers market would be an example of this.
- ✓ **Commitment & Consistency**
When a customer makes a “commitment” to you as a seller or to your product, they are more likely to buy from you. The “commitment” can be as small as giving their email address and signing up for your newsletter.
- ✓ **Liking**
People are more likely to buy from people they like. Increasing your likeability can be as easy as simply smiling and greeting customers. Some retailers instruct the greeters who are positioned at the entry to their store to say hello and compliment the customer on something. How often have you heard a greeter say, “Hi, I love your coat/purse/hair/etc.? They have been trained to do this, because we all tend to like people who compliment us, and liking the seller increases the likelihood of sales.
- ✓ **Authority**
People are more likely to buy products recommended by an authority, especially one who does not have a self-interest in getting you to buy the product. A local chef who says your tomatoes are the best carries more weight with customers than you declaring that your tomatoes are the best.
- ✓ **Social Proof**
People tend to buy what is popular with others. Thus, the power of a high number of likes on Yelp or being on a most popular list on Amazon. Based on this principle, improving the number of likes on your Facebook page should help improve sales.

Another useful resource when brainstorming ideas to test is the Farmers Market Coalition and Pennsylvania Association for Sustainable Agriculture webinar on “Your Edge in a Changing Marketplace: Thinking like a Retailer” March 21, 2014.)

Using all of these inputs, we created a list of ideas we wanted to test. We had many more ideas than we had time or resources to test. It is important to tailor your experiments to your resources and your needs. It’s also wise to consider the characteristics of the market in question, the community of customers, and known shopping habits. Make sure your experiments are realistic for your team in terms of cost, labor, and feasibility.

3. Establish a baseline and collect, pre, post and during experiment data

At the Historic Lewes Farmers Market, we’re fortunate to have gotten started on this project with an arsenal of data collected over the years about the key elements we intended to study: attendance, sales, SNAP dollars issued, and number of new SNAP customers registered each week. This provided a baseline for studying the effects of various experiments. A baseline is a crucial starting point for any experiment in order to compare “before” and “after” and any measurable change. If you have not been collecting data on your measures of interest as we had, you will need to design your data collection approach and begin collecting the information for a while to work out any kinks in your approach. The longer the history of data available, the better. However, you can get started by just collecting data on a few weeks. Despite having years of data on the main measures we studied, we still had to collect new data for some of our experiments. For example, although we had years of data on sales per market stall per market, we conducted some experiments that were intended to increase sales of a particular product at a market stall. In these cases we needed to design a new approach to record sales of a specific product.



In order for your experiment results to be objective and accurate, it’s crucial to be meticulous about record keeping and data tracking. Trying to recall details or record data retroactively will flaw your experiments and prevent you from developing clean results. This is why establishing a baseline is critical. Determine who is responsible for record keeping, as well as a backup person if possible. Also, create data collection forms to be used consistently.

In addition to collecting data on the outcome measures, we decided that we wanted to also collect information on the cost of each experiment because we believed that it would be useful to consider the cost against the impact.

4. Design and implement the intervention

All of our experiments involved trying out and testing something and then measuring the impacts against our baseline. In some



cases the “something” we tested was something different like putting photos on coolers. In other cases, the “something” we tested was something that was assumed to have impact like giving out recipe cards. We call the “something” that we tested an intervention. In each experiment, it took some thought and time to design the intervention.

Details do matter. When we were designing our experiment to test if recipe cards would increase sales, we noticed that some of the recipe cards being considered for the experiment were for dishes based on products not in season. One could hardly expect a recipe to increase sales at the stall when none of the ingredients listed in the recipe were for sale. It is important to take time to think through all of the details before beginning your experiment.

5. Analyze results.

By comparing performance on your measure during the

intervention with performance before and after the intervention, (or by comparing the performance of farmers using the intervention with those who don't) you will get an indication of the impact of the intervention on your measure. But how big of an impact is meaningful? There are statistical calculations that you can use to determine whether the impact is statistically significant. We chose not to do these calculations because most markets and farmers are not in a position to do these calculations and because a relatively small difference may be statistically significant but not meaningful to a market or farmer. We were most interested in large impacts that were meaningful to our farmers or our market.

Questions to ask when analyzing your results include:

- ✓ **What conclusions can you draw from the results of your experiments?**

- ✓ **Is the impact you find meaningful given the costs and level of effort of the intervention?**

- ✓ **What would you consider putting into regular practice?**

- ✓ **What future experiments are you interested in trying?**

- ✓ **Are there tweaks to your idea that you are interested in making and testing further?**

- ✓ **Even if a particular experiment did not produce the desired results, what can be learned from it?**

While we have emphasized data driven, quantitative analysis of experiments, we did also consider and collect qualitative

observations. In some cases, there were things that we were not able to test.

Observation can also help identify issues with your experiment. For example, while conducting an experiment to see whether customers bought more garlic when priced by the pound or by the piece, we noticed an issue. At the market stand, the farmer had two baskets of garlic, one priced by the pound and the other priced by the piece. Observation of the stand identified an issue with the experiment. The garlic in the basket that was priced by the piece contained garlic that varied in size. As the market progressed, people began purchasing the largest garlic in that basket first. Later, when the garlic bulbs remaining in the purchase by piece basket were clearly smaller, more people bought from the basket priced by the pound. The comparison between by the piece or buying by the pound changed as the market progressed. We suspect this affected the decision of more people to buy by the pound later in the market session. Without observation we would never have realized this issue.

6. Repeat experiments.

Ideally, you want to have more than one instance of a given experiment, so that results are not influenced by one-off factors such as weather, other events, time of year, amount of a particular product at the market, etc.

In conclusion, whether you are a market manager, a farmer or sales person at a market stall, you can easily begin testing your ideas for improvement!

Section 2:

Lessons Learned of Interest to Farmers and Producers

We conducted a wide variety of experiments aimed at increasing sales at our farmers market. Many of these were aimed at increasing sales at specific market stalls or increasing sales of specific products. While we tried to track data as closely as possible, we found that measuring direct outcomes was very challenging, because, simply put, this kind of real life data is messy. In the “living lab”, we encountered many challenges that affected our measurements, including a location change for the market, bad weather days, and insufficient stocks of product. That said, we gained a great deal of useful information over the course of the grant, and below we highlight the takeaways that we intend to use and that we believe will be useful to others. Our biggest hope is that our findings will help farmers and producers to make more informed decisions about marketing and sales strategies that support their success and continued growth.

After having conducted many experiments, we looked across their various results and also considered the results of research in other retail settings to explain some of our findings. Combining these, we developed a short list of advice.

What we learned from our “living lab” experiments for farmers and producers:

1. People buy more of what they can see.

Farmers/producers frequently have product for sale that is not on display, typically because it must be kept cold in a cooler. Customers tend to shop with their eyes. Even with detailed signage, customers are less likely to buy a product they can't see immediately. We decided to experiment with adding photos

of the product to the exterior of coolers to attract sales. This very simple trick was surprisingly effective -- in our experiment, products sold out over one hour earlier than they did without the photos.

We tried several different kinds of product photos, although we did not test which type was most effective. For example, when preparing photos of meat, we took photos of raw product (such as raw sausage) photos of prepared product (such as cooked sausage) and creative or “whimsical” photos (such



Adding a photo of the arugula inside to the front of the cooler increased sales.

as sausage arranged in a heart shape). With delicate produce that is brought to market in coolers, such as arugula, we took both photos of washed arugula and photos of a prepared salad of arugula with cherry tomatoes. Our farmers selected which photos to use. In each of our experiments with photos on or above coolers/freezers, we saw significant increases in sales and found that products sold out over one hour earlier than they did without photos. In summary, this is a very inexpensive and easy way to boost sales by drawing the customer’s attention and giving them a way to browse the available product that’s hidden in coolers.



The visibility of products on display is important. One of our producers, Old World Breads reported an increase in sales when they stacked their baked goods more visibly on their table as opposed to having them displayed in baskets and plastic tubs.

2. Bring more, sell more!

Farmers/producers have a tendency to err on the cautious side when deciding how much product to bring to market, in order to avoid bringing home unsold product or wasting food. While this is logical and prudent, it can backfire. We have consistently observed that customers buy more from stalls that look full and abundant. When farmers/producers sell out of something long before the market ends, it's a missed sales opportunity. We've also observed that when a product is nearly sold out, customers are hesitant to buy the last few items available, or avoid stands that are starting to empty out. Keeping a full, well-stocked stall until the very end of market is a delicate balancing act. You don't want to bring product back home with you, nor do you want to sell out too early.

We're strongly encouraging our farmers and producers to ramp up the amount of product they bring to market in order to capture as many sales opportunities as possible. Consider increasing your inventory gradually until you find the "sweet spot". It can be risky to bring more product, but it can also be truly rewarding.



The dilemma is how much to bring: Full displays attract customers, but the excess at the end of the market has to be taken back to the farm.

3. People buy more of what they know how to use.

This is fairly obvious, but it's worth taking into consideration. Customers are hesitant to buy foods that are new or unfamiliar to them, or that they can't picture how to use. Customers need to feel confident that they'll know how to prepare and consume the product. We conducted several experiments with recipe sheets and cards.

Many of our farmers use these, and when we asked our farmers what areas they would like help with, the most frequently requested item was help with preparing and providing recipes. Given the popularity of recipe cards with sellers, we were surprised that when we conducted experiments on adding recipe cards to market stalls, that we did not see consistent increases in sales. Simply placing recipes on a stall didn't have much impact on sales, despite the fact that many customers took the recipes. We then tried to explore whether there were ways to improve the impact of recipe cards on sales. We found a few approaches that improved the benefit of recipes at market stands:



We then tried to explore whether there were ways to improve the impact of recipe cards on sales. We found a few approaches that improved the benefit of recipes at market stands:

- ✔ **For unusual and unfamiliar products**, such as kohlrabi, sales appeared to go up slightly when we provided recipes as well as general information about the product, such as selection, storage and preparation instructions.
- ✔ **If farmers used the recipe as a customer engagement opportunity** and specifically recommended a recipe and talked with the customer about it, sales were more likely to increase (but again only slightly). One of the things we noticed through observation was that when we added recipe cards to a market stall, many of our farmers seemed to ignore them and simply go about their sales as usual, unaware of whether customers were taking the recipes. When we counted the recipes cards remaining at the end of the market, the farmers were surprised at the high number that had been taken. When we asked farmers to try and remember to point out the recipes to customers, they found that mentioning the recipes provided an easy conversation starter with customers. While we were not able to document a significant increase in sales as a result, the farmers all believed that the recipes were helpful in developing customer relationships.
- ✔ **Recipes that had a cute or clever title were more likely to be taken.** For example, a recipe for “Happy Cow Coleslaw” was more likely to be taken than a recipe simply labeled “Coleslaw”.

One of the farmers involved in our first test of recipe cards, Kathleen Moss of Fox Briar Farm, didn’t abandon the idea of recipe cards after initially seeing disappointing results. She made the following adjustments, listed below in her own words and saw better sales as a result:

- ✔ **Focus on a few recipes:** “I tried to be more focused on the recipes that I displayed each week. Rather than

having 10 different recipes, I put out 2 or 3 that focused on vegetables I really wanted to push that week because I had an abundance of them, or maybe it was something a little less familiar to the average customer.”

- ✔ **Make the recipes simple:** “Something else to keep in mind is making the recipes offered simple. It should not have too many ingredients or steps, and not any ingredients too exotic. I tried to focus on recipes that could give a good basic foundation of how to prepare something, that could then open other doorways for people... a basic sauteed kale with garlic and olive oil, for example, or carrots roasted whole with herbs. If you are getting someone to try a vegetable they maybe have never prepared before, you don’t want to overwhelm them and make them think it is more complicated that it has to be.”
- ✔ **Use recipes to reinforce your brand:** “I also adjusted the presentation. First of all, I designed cards that were more in line with our brand image: brown kraft paper, our signature font, logo included, and bound with wooden clothespins. I think this made the cards themselves a little more attractive to customers.”
- ✔ **Position the recipes display for impact:** “I displayed them on the table directly next to the produce I wanted the recipe to highlight. This ensured that the card itself was easily accessible to the customer; they could access it without much extra time or thought.”

These changes resulted in more recipes being taken, and increased sales of the products featured in the recipes.

In short, how you provide the recipes makes a difference, and can enhance their impact on sales. Recipes can also be helpful in other ways when they’re paired with conversation or education

about a product. By the same token, we found tastings or food samplings to be most effective when they featured an unfamiliar or unusual product, and when they were used as a conversation starter, or were paired with a recipe. The takeaway is that customer engagement should be a part of all sales strategies, making them more effective than passive techniques alone (such as recipe cards or free samples on a table).

4. People want to “know their farmer” – and they buy more from people they know and like.

We know from research on improving sales, that people are more likely to buy from people they like. Many regular farmers market shoppers are looking for more than just fresh produce. According to a 2015 University of Iowa study of why people shop at farmers markets (Ion Vasi and Sara Rynes, American Sociology Association Annual meeting, Aug. 22, 2015, Chicago), “It’s about valuing the relationship with the farmers and people who produce the food and believing that how they



produce the food aligns with your personal values”. Customers want to know where their food comes from and how it was grown, and they want to support the farmer or producer that made it. Vasi and Rynes also found that farmers markets customers value feeling part of a community at the farmers market. We know that shopping at a farmers market is a more social experience.

Shoppers at a farmers market tend to have between 15 and 20 social interactions per visit, while shoppers at a grocery store tend to have only one or two per visit (Project for Public Spaces).

Many customers care about where their food comes from, the hands that made it, and supporting the local economy and local farmland. This is not just a “feel good” concept. When customers feel that they know the farmer/producer by name, they buy more. While it can be challenging to engage with individual customers during a hectic market day, it can pay off tremendously to slow down just enough to make the customer feel even better about their purchase. We experimented with several approaches to help farmers connect more with customers.



Customer loyalty program.

We tried two different approaches for customer loyalty cards. For one, Black Hog Farmstead provided punch cards; customers earned one punch for every \$10 spent, and when they reached \$50 in purchases, they got \$5 credit at that stand. Another loyalty card program, tried by Kalmar Farm, had the farmer initial blocks on the card for every purchasing visit made to their stand. When the card had 5 initialed blocks, the customer's card was entered into a raffle to win a market picnic basket stocked with barbeque items for a group picnic. When we asked the farmers about the impacts of the loyalty cards, both reported that approaches boosted customer loyalty,



especially in returning shoppers. Black Hog reported seeing some customers 'top up' their purchase in order to reach \$10 and gain a punch in their card. Both approaches were used to collect customer contact information and emails for marketing. And both were good opportunities to engage customers in conversation. However, when we compared changes in sales during the year the loyalty program was in effect to sales for the farmer during the previous year when there was no loyalty program, we found conflicting results. Sales went up 39% year to year in one case and went down 12% in the other. Obviously many factors affect sales each year. Interestingly, both farmers believed that the loyalty program had been effective and plan to continue using it.

Farmer profiles

We created profile signs to be displayed at each market stand, including such information as the location of the farm, the distance travelled to the market, and in some cases a "fun fact" that personalized the farmer.



"Meet the Farmer"

We also scheduled a number of farmer presentations, allowing the farmer to talk to customers about their farm and how long they've been farming and to demonstrate some of their products, etc. In addition, we created a high quality one-page biography on each farmer who participated in a meet the farmer session.





These were used as handouts at the presentations and provided the farmer with a biography that could be used on their website and Facebook pages. Both make customers feel more invested in and personally connected to the businesses. We compared sales for the featured farmer on the day of their presentation to sales the week before and the week after. We conducted five Meet the Farmer presentations. Sales increased hardly at all (an average of 1%) on the day of the presentation. When we looked at sales the week after each presentation we found that sales increased an average of 41% (the impacts ranged from -17% to +79%). Those that provided samples during their presentation, tended to see the largest impacts.

The instance in which sales declined following the presentation is likely an aberration, and the result of the presentation occurring the week of the Fourth of July holiday when all sales are very high.

Name Tags

These can be a simple and affordable way to engage customers, but only have an impact if the farmer actually talks with the customer.

Smile!

It's obvious, but too few people actually do it. We weren't able to test this scientifically, but we know anecdotally that it makes a difference. And it's 100% free!

5. A combination of seeing, tasting, and talking about the food is most effective.

While we already have a professional chef demonstration at our market every week, we believe that chef demonstrations are more effective in boosting overall sales by drawing more customers to market rather than increasing sales of specific products. Part of this may be because the chefs' recipes usually use a number of ingredients and can be complex, and specific products do not stand out.



We decided to try an experiment we called “Market Pairings”. Our “Market Pairings” events involved a demonstration by a market staff person, volunteer, or board member; they used products from at least two different farmers and tried to highlight less common items; and they created recipes that anyone could make at home in twenty minutes or less. At each market pairing, we provided recipes and had signage listing the products that were being used in the demonstration and the market stalls where the foods could be purchased. This boosted sales of featured products by an average of 20%. We even found the improved sales to continue into the following week. We think this was so effective partly because it was a third-party endorsement of a product, and in part because the recipes were more approachable than those offered by professional chefs.



In one Market Pairing, we served a Portobello mushroom sandwich, featuring ciabatta bread, mushrooms, cheese, heirloom tomatoes, and rosemary-garlic jelly sourced from different farmers/producers at the market. One of the featured products, the rosemary-garlic jelly from Backyard Jams &

Jellies, sold more than double its typical amount that week, and sold out despite the producer bringing extra to the market. The jelly continued to see high sales the week following the demonstration (a 42% increase in sales over the week prior to the Market Pairing Demonstration).

Top 3 Free or Low-Cost Ideas

#1

Get a third-party endorsement

Such as having product featured in Market Pairing demos. While this may take a little effort, the cost is low and the impact is high.

#2

Use photos on the outside of coolers and hidden products

We used an amateur photographer to take the photos, which we then had printed on heavy plastic at a local office supply store for under \$25.

#3

Smile, wear a nametag, and be friendly!

Talk with your customers! We can't emphasize this enough. The effort is minimal and the cost is free. While we couldn't measure the exact impact of this, research in other retail settings has consistently found that smiling and being friendly boosts sales.

Additional Ideas

We had several ideas that we did not have the chance to test in an experiment, but you may want to try them out. One is to display signage encouraging the purchase of nearly sold out product, since customers are sometimes reluctant to buy the last of an item.

For example, “Find out why everyone loves our carrots - before

they're all gone!" This can be a very simple, last minute, and virtually free technique - and it certainly can't hurt to give it a shot. Another is to test using, along with tastings, signage that emphasizes the health benefits of the product or the way in which it was produced.



Blueberry tasting with a fun sign.

Because the results of our experiments with loyalty cards were not consistent, we think more research on this would be helpful.

Section 3: Lessons Learned of Interest to Market Managers

We employed a variety of experiments exploring what farmers market managers and volunteers can use to boost sales, attendance, and customer engagement. While changes in sales are harder to measure as a result of market-wide interventions, there was a clear correlation between our efforts and increased customer attendance. Read on to learn more about our experiments and what we can recommend to other farmers markets.

Special Events

HLFM put on a number of different events, such as Health Day, a Kids' Day, and promotions for Mother's Day and Father's Day, as well as a Customer Appreciation Day.

On Health Day, our partner Beebe Healthcare (a major provider of hospital and outpatient care services in our county), provided free diabetes and blood pressure screenings, and gave a talk and demo about heart-healthy cooking. The services provided were very helpful to our customers. In fact, approximately 25% of those screened had elevated levels on one of the tests. For Mother's Day, our planned theme was "Spice Up Mother's Day", and we hoped to feature potted herbs and spices and special flower bouquets that incorporated fresh herbs, along with a Market Pairings demo on making a simple breakfast for Mom.



Story Hour at the market, a partnership with the Lewes Public Library.



However, heavy rain meant that these Mother's Day activities had to be cancelled. Father's Day events included a raffle for a grill and a demo on how to grill perfect meats for Dad. The producers (Elysium, Springfield Lamb, and Reid Angus), whose meats were featured in our Father's Day grilling demo, saw their sales increase by between 15% and 30%, the average increase was 25%. We also saw a 5% increase in overall market sales compared to the same week the prior year, and a \$1.47 increase in the average amount spent per customer at the market. On Seniors over 55 Day we had a scavenger hunt with prizes of gift certificates to specific market stands donated by our farmers. It was challenging to get seniors to self-identify and participate in the activities. The prizes of gift certificates hopefully generated repeat business for our participating stalls, as customers collected their prizes.

On Customer Appreciation Day we offered customers free cider provided by Fifer Orchards and baked goods donated by Good News Natural Foods, as they entered the market. Sales for these farmer/producers went up between 7-8% on Customer Appreciation Day, demonstrating the value of samples in driving sales.

We also offered stickers to customers as they entered the market that said, "I am Appreciated" and showed our acronym HLFM for the Historic Lewes Farmers Market. We also specifically asked and reminded our farmers to thank their customers personally for shopping at the market. We received great feedback from customers and felt that it positively impacted a sense of loyalty to the farmers market.



For Kids' Day, we offered activities including a "salad on a stick" activity in which the children placed cut up vegetables and cherry tomatoes on a small skewer and got to eat them with a yogurt dip. It was fun to see how many children who claimed to hate vegetables ate them with glee off their stick. We also gave each child a "Veggie Passport" in which they collected the names of market stalls they visited that offered the fruits and vegetables pictured. Prizes such as donated books, coloring books and mini boxes of crayons were offered for completed passports. On our second annual Kids' Day, we had children help plant a new tree in the park where we hold our farmers market. We offered bocce lessons for kids on the court beside our market. We also held a scavenger hunt where the children, along with their parents, went through the market searching for fun facts about the farmers and their products. Prizes again were donated books and coloring books. We offered a snack of blueberries provided by Bennett Orchards and strawberries donated by Ficner Farms.

These donations were recognized with a thank you sign and increased foot traffic and sales to these farmers by 27% and 6%. We saw a 3% year over year increase in total spending at the

These donations were recognized with a thank you sign and increased foot traffic and sales to these farmers by 27% and 6%.

market on Kids Day, and a 13% increase in attendance at the market. However, average spending per customer decreased \$1.55 per customer. We also observed that the activities increased kids' and parents' engagement with the market and with farmers. Unfortunately, we do not count children in our gate counts of customers, and so can only rely on impressions of the impact of holding a special Kids Day. Farmers and market volunteers alike commented on the increased number of children at the market on Kids' Day, and the positive and fun impact it had on the market environment. We did record the number of children participating in the Kids' Day activities, and saw an increase of 18% in the number of children at our second Kids' Day as compared to the first Kids' Day.

It is difficult to determine the exact impact of these special events on overall market sales due to weather and holidays also impacting sales, but we know that when specific products were featured in demonstrations and tastings, sales for these products increased between 8% and 30%. We also believe that these special event days are very useful for engaging the community and helping customers to feel invested in their market.

Advertising Tests

We have frequently questioned whether our investments in advertising were effective. To test this, we held a free raffle. Anyone could enter the raffle, but if a customer said a "secret phrase" that was shared in marketing materials, they would get two raffle entries. We ran advertisements announcing the raffle in our online channels (including email newsletter, social media, and website), as well as in our weekly newspaper ad, but used a different secret phrase for each one. We did this to identify where the customer had found out about the raffle and to learn more about which of our marketing strategies reached more customers. To our surprise, we found that far more customers

had seen our newspaper ad than our online marketing, by a ratio of 2:1. We share this not to recommend one type of advertising over another, but to encourage analysis of different marketing strategies to compare and contrast their scope and effectiveness. You could also try this with coupons or special deals - for example, bring in the advertisement for a free treat.

SNAP Engagement

At HLFM, we accept both SNAP benefits and offer a Matching Dollars program that matches up to \$20 spent per day for SNAP. This program provides an incentive to get SNAP and WIC customers to market, but it can be challenging to spread the word. We focus on making our SNAP customers feel welcome and have a cadre of volunteers who staff a SNAP information tent. We tried several different ways to increase this population's attendance and participation.





✔ **We published bilingual promotional cards to let people know about the market accepting SNAP and providing matching dollars.** These were available both at the market and throughout the community and were shared with social service agencies, schools, churches, and libraries. We asked new SNAP customers how they found out about the market in order to determine the most effective location for the cards. The library was the single most common place mentioned by our SNAP customers.

✔ **We had a market staff person visit various community offices, programs and sites to personally speak with staff about our matching program.** We found that many people seem to have trouble believing and understanding that we are actually matching SNAP dollars at our farmers market. Speaking with people in person helped assuage doubt and clear up confusion about the matching dollar program.

✔ **We ran a promotion in conjunction with Kids' Day - any child whose parent presented an EBT card received a free \$5 in tokens to spend at market with no EBT purchase necessary.** We ran this same promotion on Seniors over 55 Day. This was especially helpful for families and seniors new to the market, because it brought them to the information booth to learn about matching dollars.

✔ **We also started a second smaller farmers market, held mid-week, in a location closer to public transportation.** We did this because we believed that the location would appeal to more SNAP recipients. We found that this was very useful in attracting new customers. About one third of the growth that we achieved in new SNAP customers came from the new market. By holding a raffle in which customers of our new market provided their contact information, we were able to compare their names and addresses with those already on our contact list from our main market. Over half were new to our mailing list.

By providing bilingual promotional cards, meeting with staff at local social service agencies and community organizations, offering SNAP families a promotion on Kids' Day, and opening a new market, we saw strong growth in total SNAP customers, in new SNAP customers, and in SNAP dollars spent.

In the first year of conducting these activities to attract more customers, we saw year over year growth of 57% in new SNAP customers, growth in total SNAP customers of 24% and growth in SNAP dollars issued of 31%. The number of new SNAP customers we attracted remained stable the following year.

Top 3 Free or Low-Cost Ideas

#1

Test what advertising channels are the most productive in reaching customers by using a “secret word” raffle
(as previously described)

#2

Ensure that SNAP materials are bilingual.

#3

Clearly highlight with signage any market products that are used in any special events.

Section 4.

History and Description of the Historic Lewes Farmers Market

Founded in 2006 by volunteers from the community of Lewes, Delaware, the Historic Lewes Farmers Market (HLFM) is a non-profit organization and a producer-only farmers market with 35 local farmers/producers. HLFM is more than just a marketplace; it is a community based, mission-driven team working to support local sustainable agriculture and small businesses, protect the environment, and educate our children about food and the land. Our market is a local coalition of the broader national and global movement for healthier, more sustainable food systems.

By connecting farmers and producers from our region with our community, we’re helping family farms and small businesses to thrive and grow. This also helps save precious farmland that

is rapidly disappearing from our community. In our first eleven years, from 2006-2017, the market drove over \$6 million in sales for participating farmers/producers. The market makes it possible for families to eat local, while our education programming teaches them how to make the most of the seasonal bounty. We also work to make our market an inclusive place and lower economic barriers to healthy eating. That’s why we not only accept SNAP (formerly known as Food Stamps) and WIC benefits; we offer a match to help stretch these customers’ food budgets. This helps to put more fresh food on the table for local families, and more dollars into the pockets of local farmers. In 2017, we matched nearly \$2,700 SNAP dollars for 166 local families. Our gleaning program collects donations of extra produce at the end of each market day for local charities that provide food assistance to our neighbors in need. In 2017 alone, nearly \$7,000 worth of food was given to this great cause. We also intentionally located the market in central Lewes to make it accessible to those traveling on foot or bicycle, which



Mission Statement

The Historic Lewes Farmers Market (HLFM) is a non-profit organization operating a producer-only farmers market located in Lewes, Delaware. The HLFM provides a family-friendly, community gathering place where consumers may purchase the freshest local foods available. It also provides alternative educational and marketing opportunities for emerging farmers and others to help create local and sustainable food systems that are environmentally sound, economically viable and socially responsible and which improve the variety, freshness, nutritional value and distribution of fresh farmland foods to the community.

“Producer-Only” Definition

“Producer-only” is a term and a value that we uphold as central to our mission. It means that every single farmer/producer at our market is exclusively selling foods that they grew or crafted themselves - never reselling. It is a promise to our customers that when they shop at HLFM, they know that they’re purchasing food directly from the hands that grew or crafted it. This also ensures that everything sold is locally grown or produced.

is both more inclusive to our whole community, and more environmentally friendly.

We are proud of the work we’ve accomplished since our inception, but we also know that we can do more. That’s why we applied for the USDA Farmers Market Promotion Program (FMPP) grant. Through this grant project, we have been

working towards three interconnected goals: (1) to support the economic viability of local farms practicing sustainable agriculture; (2) to ensure that everyone in our community, particularly those with limited resources, have access to fresh, healthy, locally grown foods at an affordable price; and (3) to augment sales and consumption of locally grown foods. Our project has included outreach to low-income and bilingual communities, experiments to drive sales and attendance, improvements in

signage and marketing, and educational opportunities for farmers and the community. Our farmers market has served as a “living lab” where we have carried out various experiments and strategies to address our farmers’ and community’s needs. Importantly, we have focused on quantitative data, which is frequently unavailable for farmers markets, so that we can share the bounty of information that this project has produced. The



results of this work have the opportunity to not only improve the viability of HLFM and our farmers and to help our local community, but also to help others who, like us, are interested in growing their farmers market.

HLFM is the only farmers market in Delaware to be awarded a FMPP grant. We believe this is thanks to our hardworking farmers and producers and our dedicated cadre of over 100 volunteers who collectively make the market happen, week after week and season after season.

Section 5: Acknowledgements

We have more people to thank than it is possible to list.

This work was conducted during the 2016 and 2017 market seasons and would not have been possible without our incredible group of volunteers, our wonderful farmers and producers, and our dedicated customers, all of whom support the Historic Lewes Farmers Market come rain or shine! Thanks also go to our Board of Advisors who provide expert advice on a wide variety of topics. Thank you also to the members of our Board of Directors (2015-2018) who function as a working board and serve as Market Managers in the heat of summer and the storms of fall: **Helaine Harris, Abbey Feierstein, Sharon Dardine, Nancy Beaumont, Marie Mayor, Hattie Allen and Nancy Staisey.**

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Heartfelt thanks also go to the **City of Lewes** for permitting our Saturday Market to operate and welcome the community at George H. P. Smith Park, and to the **Crooked Hammock Brewery** for permitting our Wednesday Market to welcome the community on their lot.

We consulted many resources in conducting our work and highlight here two that we relied on the most:

usda.com

Provides access to a wide variety of reports and data sources.

<https://farmersmarketcoalition.org>

Maintains a Resource Library with a large number of reports relevant to farmers markets.

Historic Lewes Farmers Market

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