Results from Square Farmers' Market Project

Cooperative Extension Tompkins County

Matthew LeRoux, Ag.
Marketing Specialist

NORTHEAST SARE Sustainable Agriculture Research & Education

This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, through the Northeast Sustainable Agriculture Research and Education program under subaward number ONE18-316.

The Research Question(s)

- Can we increase sales using factors within the farm's control?

- Is it possible for you to get more money out of a market?

What we observed

- Customer transaction size
- Purchase time
- Payment type
- Items in basket
- Weather
- Item availability (crop mix)
- Market size

You can improve what you do measure

What we measured:

- Customer Counts
- Customer transaction size ($ & item count)
- Gross Sales
- Avg. Item Value
- Item Sales

16 Markets Observed
204 Market Days

- **Ithaca Farmers' Market**
  - Saturday 9:00-3:00 (n=5 farms)
  - Sunday 10:00-3:00 (n=4)
  - Tuesday 9:00-2:00 (n=2)
  - Wednesday 4:00-7:00 (n=2)
- **Trumansburg Farmers' Market:** Wed. 4:00-7:00
- **Corning Farmers' Market:** Thurs. 10:00-3:00
- **Broome Regional Farmers' Market:** Sat. 9:00-1:00

Market Size

Market	All Vendors	Veg. Vendors	Market Size
Saturday IFM	93	15	Very Large
Sunday IFM	93	15	Very Large
Broome FM	40	5	Large
Trumansburg FM	27	5	Large
Corning FM	21	3	Medium
Wednesday IFM	15	8	Medium
Tuesday IFM	11	4	Medium

Small: 1-10
Medium: 11-25
Large: 26-50
Very Large: 51+

Where are the growth opportunities?

Customers **x** avg. customer spend = ADGS

(Average Daily Gross Sales)

- Customer Counts
- Top-selling items
- Customer spending
  - Package size & Item value
  - Items/customer
  - Pricing

Season Market Summary

All Farms, All Markets

This summary uses data from 204 market days from June-September 2108.

Customer count: 19,921

Total net sales: $128,873

Items sold count: 38,117

Average customer spend: $6.47

Average customer item count: 1.9

Avg. customers/market: 98

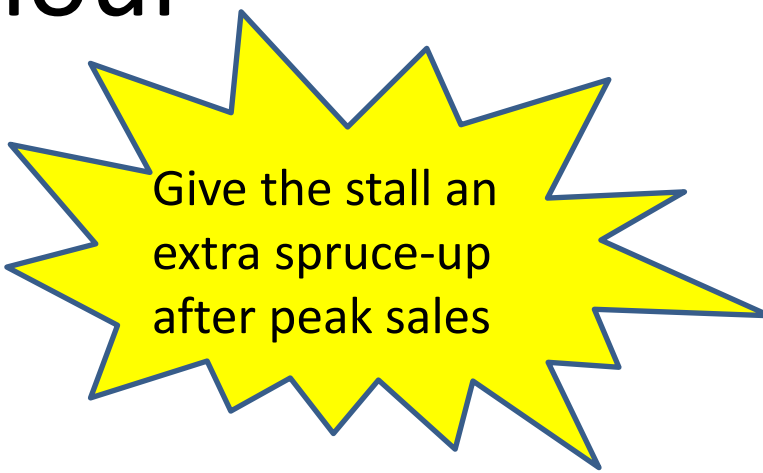
Avg. net sales/market: $631

Avg. items sold/market: 187

Avg. item value: $3.38

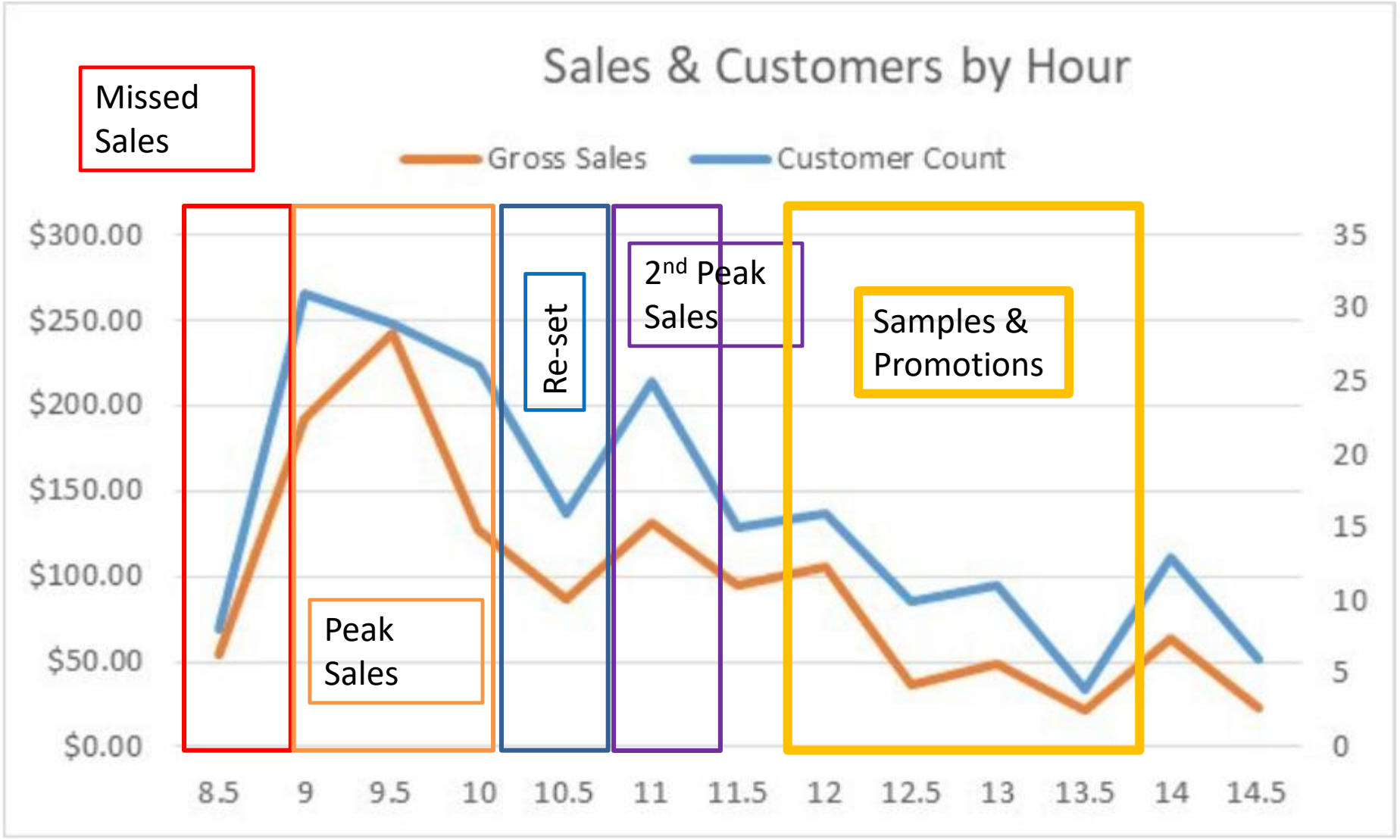
Customers/hour

Avg. customers/market: 98
Customers/hour: Range: 10-47
Average: 20 (n = 16)
*Markets studied range from 3-6 hours.



Goal: Increase customer counts.
Recommendation: The easiest gains are probably during your slowest hours. Find ways to draw people into your booth during these times.

- Signage
- Display (bountiful, colorful, visible)
- Eye contact and a smile?
- Product offering/crop mix & placement
- Promotions & Samples
- Set up earlier to capture more early sales.



Sales/hour and Customers/hour decline through the day.

Product Mix

Top 20 most frequently sold & top grossing crops

*These are broadly grouped, represent all farms, represent mixed units.

Item	Frequency	Gross Sales
Tomato	2161	$11,914
Lettuce mix	1894	$8,739
Head Lettuce	1847	$6,862
Cherry Tomato	1401	$6,155
Beets	1504	$5,984
Cucumber	1868	$5,947
Carrot	1398	$5,822
Kale	1248	$4,429
Potato	783	$3,500
Pea	691	$3,274
Strawberries	526	$3,271
Beans	675	$3,040
Pepper, sweet	915	$2,987
Cuke/Zucc Combo	808	$2,961
Garlic	923	$2,946
Chard	813	$2,721
Zucchini	992	$2,571
Scallion	889	$2,427
Onion	840	$2,215
Basil	677	$2,192

Goal: Win more customers with the most popular items.
Recommendation: Do more with the top selling crops. Offer varieties and sizes.

Cause/effect? Are these just the most common crops among participating farms?

Will unique, less popular crops win more customers?

- Placement of top sellers?
- Placement of slow sellers?
- Pricing of each?

$/Customer Transaction
Customer spending

- Range: $5.11-$7.79 average customer spend
- Average: $6.35 (n = 16 markets)
- Avg of all: $6.47 (n = 19,921 transactions)

Goal: Increase customer spending.

- Product pack size & Item value
- Items per customer
- Price

$/Customer Transaction
Product Pack Size

Goal: Increase minimum customer spend.

Recommendation:

- Product format (bundle/quart/each)
  - Package crops to maintain price/unit but increase customer purchase.
  - Example: $1.50/head garlic becomes 2 for $3 or $4.50 for 3 in a pint container.
  - Example: Kale bunches are $4 but contain more stems than $3 bunches.
- Eliminate low-priced sizes

$/Customer Transaction

Product Pack Size

REMEMBER!

Changes are not carved in stone

You can change back

You can accommodate customers

Pack Size & Item Value

Top 20 most frequently sold & top grossing crops

Item	Frequency	Gross Sales	AVG price/unit
Tomato	2161	$11,914	$5.51
Lettuce mix	1894	$8,739	$4.61
Head Lettuce	1847	$6,862	$3.72
Cherry Tomato	1401	$6,155	$4.39
Beets	1504	$5,984	$3.98
Cucumber	1868	$5,947	$3.18
Carrot	1398	$5,822	$4.16
Kale	1248	$4,429	$3.55
Potato	783	$3,500	$4.47
Pea	691	$3,274	$4.74
Strawberries	526	$3,271	$6.22
Beans	675	$3,040	$4.50
Pepper, sweet	915	$2,987	$3.26
Cuke/Zucc Combo	808	$2,961	$3.66
Garlic	923	$2,946	$3.19
Chard	813	$2,721	$3.35
Zucchini	992	$2,571	$2.59
Scallion	889	$2,427	$2.73
Onion	840	$2,215	$2.64
Basil	677	$2,192	$3.24

Can we use the AVG price/unit as a crude gauge for customer WTP for these crops?

Will gross sales increase if you package crops at approx. these dollar units?

$/Customer Transaction

Item Value

Average value per item

Average of all*: $3.90 (n = 30,180)

*excluding plants, flowers, honey/syrup, processed products.

Goal: Increase the average item value.

Recommendation: Eliminate the opportunity to spend less than $3*.

*This isn't about price/unit, it is about the size of a transaction.

$/customer transaction

Items per customer

Range: 1.4-2.6
Average: 1.8 (n = 16)

Goal: Get the 1 item customers to 2.
Recommendation:

- Crop mix includes top selling items.
- Market stand arrangement?
- Specials
- Any “2 for $7” or “get all this for $20”
- Item suggestions, suggested pairings

Product prices

Goal: Increase customer spending.

Recommendation:

- Raise prices on fast-moving & popular items.

Lettuce Head		
Price/head	**Units sold**	**Gross sales**
$2.75	200	$550
$3.00	185	$555
$3.50	158	$553

*The average head lettuce purchase was $3.72

Customer Spending & Product Prices

Percent of customers spending $3 or less:

- Range: 14-45% (n=16)
- Avg: 28%

On a random $1226 market day with 210 customers

2 spent over $20

29 between $10-20

59 spent over $5, less than $10

120 spent $5 or less

Customer Spending & Product Prices

	# Customers	Total Spending	AVG $/Customer
$20 or more	2	$59	$29.50
$10 to 19.99	29	$414	$14.28
$5.01-9.99	59	$406	$6.88
$5 or less	120	$347	$2.89
	210	**$1,226**	**$5.84**

Recommendation:

- Get more out of the 120 people.

How?

Pack size

Item count

Price

Simple Math

Higher prices increase customer spending, (but not necessarily Avg. Daily Gross Sales).

However…

The farms with the highest priced items:

- Top customer spending
- Top value/vegetable item
- Top grossing
- without damage to items/customer

Summary

Choose a metric to focus on, introduce changes at market, monitor for results.

- Raise item values
- Consider crop selection & display
- Engage customers during the slow times
- Arrive to sell before market start
- It may be time to raise prices